Daily Report

East Europe

FBIS-EEU-96-149
Thursday
1 August 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
East Europe

FBIS-EEU-96-149 *1 August 1996*

CONTENTS

NOTICE: This volume contains a representative selection of material previously disseminated in softcopy format.

ALBANIA

Albania: Prime Minister Meksi Presents Government Program *[RILINDJA DEMOKRATIKE 23 Jul]* 1

BULGARIA

Bulgaria: UK Defense Secretary Meets Zhelev, Videnov *[Sofia Radio]* 21
Bulgaria: 'Russian Mafia' Allegedly Controls Drug Route *[STANDART NEWS 26 Jul]* 21
Bulgaria: BCP Leader Spasov Reveals Future Plans *[STANDART NEWS 27 Jul]* 22
Bulgaria: Balkan Air 'Inevitable Bankruptcy' Forecast *[KONTINENT 26 Jul]* 22

SLOVAKIA

Slovakia: Unequal Standard for NATO Enlargement Viewed *[SLOVENSKA REPUBLIKA 31 Jul]* ... 23
Slovakia: Daily: U.S. 'Supports' Slovak Stand on Autonomy *[NARODNA OBRODA 31 Jul]* 23
Slovakia: HZDS Drafts Coalition Agreement Supplement *[PRAVDA 31 Jul]* 24
Slovakia: Hungarian Ethnic Autonomy Demands Voiced *[Bratislava Radio]* 24

HUNGARY

Hungary: Kovacs Regrets Slovak Dissatisfaction Over Answers *[NEPSZABADSAG 1 Aug]* 25
Hungary: Keleti Responds to FIDESZ Army Proposals *[NEPSZABADSAG 31 Jul]* 25
Hungary: Army Forced To Close Firing Ranges *[NEPSZAVA 31 Jul]* 26
Hungary: MSZP Plans To Amend Media Law *[NEPSZABADSAG 31 Jul]* 26
Hungary: Government Denies Plans To Nationalize Media *[Budapest Radio]* 27

BOSNIA-HERZEGOVINA

B-H: Iran Says Relations With Bosnia Not U.S. 'Concern' *[Sarajevo Radio]* 28
B-H: Muratovic Emphasizes Any 'Sincere' Aid Welcome *[Sarajevo Radio]* 28
B-H: Tuzla War Invalids Receive Benefits, End Demonstrations *[Sarajevo Radio]* 28
B-H: IPTF Demands Resignations of Police Threatening UN *[AFP]* 29
B-H: Ganic Wants 'Dissolution' of 'Illegal' Herzeg-Bosnia *[AFP]* 29
B-H: Ganic Proposes Herzeg-Bosnia's 'Integration' Into Federation *[Sarajevo Radio]* 30
B-H: Bosnian Croat Leaders Agree 'To Disband' Herzeg-Bosnia *[TANJUG]* 30
B-H: Muslims Abandon Renovation Work on Houses in Stolac *[Mostar Radio]* 31
B-H: Croat Mostar Mayor Views 'Violations' of Dayton Accord *[VECERNJI LIST 28 Jul]* 31
B-H: Mostar HDZ Head Denies Crisis in Town 'Escalating' *[DNEVNI AVAZ 31 Jul]* 33
B-H: Many Officers Appear on Election Lists *[OSLOBODJENJE 20-21 Jul]* 34
B-H: Bosnians in Switzerland Register for Sep Elections *[AFP]* 35
B-H: Hague Tribunal Accepts Serbs' Stand on Extradition *[TANJUG]* 35
B-H: Serbs Reportedly Agree To Cooperate With Hague Tribunal *[AFP]* 36
B-H: Krajisnik, Serb Leaders Cancel Meeting With Kornblum *[AFP]* 36
B-H: RS's Ninkovic Rejects NATO Proposal To Set Up Base *[Pale TV]* 37
B-H: Serb Republic Parties Hold 'Consultative Meeting' *[BETA]* 37
B-H: Serb Official Confirms Brcko Elections To Be Held 14 Sep *[SRNA]* 38
B-H: Krajisnik Says Elections 'Can Strengthen' Serb Republic *[TANJUG]* 38
B-H: Drvar Refugees Complain of Election Intimidation *[DNEVNI TELEGRAF 27 Jul]* 38

B-H: Electoral Appellation Commission Dismisses Serb Complaint *[Sarajevo Radio]* 39
B-H: RS Suspends Exhumation Work, Expects 'Reciprocity' *[TANJUG]* 39
B-H: Serb Official Wants Exhumation Near Srebrenica Delayed *[Pale Radio]* 39

CROATIA

Croatia: Tudjman, Izetbegovic Discuss Talks on Federation *[Zagreb TV]* 40
Croatia: Ganic Urges Croatia To 'Absorb' Bosnian Croat Republic *[Zagreb Radio]* 40
Croatia: Defense Council on Mostar, Herzeg-Bosnia *[Zagreb Radio]* 40
Croatia: UNTAES Commander Details Agenda for E. Slavonia *[Brussels LE SOIR 31 Jul]* 41
Croatia: HDZ Negotiator Comments on Zagreb Crisis *[SLOBODNA DALMACIJA 28 Jul]* 42
Croatia: Delegates for Bosnian HDZ Assembly Appointed *[Zagreb Radio]* 44
Croatia: Ex-Yugoslavia Debt Deal Signed With London Club Banks *[London FINANCIAL TIMES 1 Aug]* 44

POLAND

Poland: Cimoszewicz on NATO, EU Enlargement *[London THE EUROPEAN 1-7 Aug]* 46
Poland: Conditions of Membership in NATO Assessed *[POLITYKA 3 Aug]* 47
Poland: Official for Integration With EU Interviewed *[WPROST 28 Jul]* 47
Poland: Cabinet Office Head Miller Discusses U.S. Trip *[TRYBUNA 31 Jul]* 48
Poland: Discord Between ROP, AWS, KPN Highlighted *[Warsaw TV]* 49

ROMANIA

Romania: Washington Envoy on U.S. Stance on Ethnic Rights *[Bucharest Radio]* 51
Romania: CDR Head Comments on Support in U.S., MFN *[JURNALUL NATIONAL 25 Jul]* 51
Romania: Iliescu's Mistake on MFN Status Said Harmful *[ROMANIA LIBERA 26 Jul]* 51
Romania: Opposition Accused of Lack of Ingenuousness *[ROMANIA LIBERA 27 Jul]* 52
Romania: New Deputy Chief Appointed to Defense Policy Department *[EVENIMENTUL ZILEI 26 Jul]* 53
Romania: Intelligence School Holds Graduation *[EVENIMENTUL ZILEI 27 Jul]* 54

YUGOSLAVIA

Federal

FRY: Assistant Foreign Minister Says Peace 'Vital' for Country *[TANJUG]* 55
FRY: Government Discusses Cooperation With Slovakia, Ukraine *[TANJUG]* 55
FRY: Army Commander, Bulgarian General Inspect Border *[TANJUG]* 55
FRY: OSCE Lists for Bosnia Elections Criticized *[TANJUG]* 56
FRY: Chinese Market Said To Boost Serbian Output *[TANJUG]* 56
FRY: OSCE Seminar on Media Freedom Assessed *[FLAKA E VELLAZERIMIT 2 Jul]* 56
FRY: Refugees Reportedly Manipulated in Voter Registration *[BETA]* 57

Serbia

Serbia: SPO Warns of Return of 1993 Inflation *[BETA]* 58

Vojvodina

Vojvodina: DS Chairman Djindjic on Autonomy, Minority Rights *[MAGYAR SZO 2 Jun]* 58

Albania: Prime Minister Meksi Presents Government Program

AU2907192396 Tirana RILINDJA DEMOKRATIKE in Albanian 23 Jul 96 pp 3, 5-7

["Government Program" submitted by Albanian Prime Minister Meksi to the People's Assembly in Tirana on 22 July: "Albania 2000—Prosperity and Dignity"]

[FBIS Translated Text] The Democratic government, created out of the 26 May elections, presents to you its program whereby it aims to advance quickly to the full reform of the Albanian economy into a developed market economy, increasing the prosperity of Albanians. This major objective of ours will finally rescue Albania from poverty and worthily integrate the country into Europe.

Our tasks today are much greater than those we undertook and performed four years ago, because the sure institutional and legal foundations have been laid, and macroeconomic stability and foreign aid and support have been secured. The economy is at a much higher stage of development and has a very good growth rate. We have controlled the budget deficit and inflation. We have many more able people. We have the support of an overwhelming majority of Albanians, and therefore a politically stable Albania.

The government has drafted this program in continuation of the reform and with the aim of drawing close to Europe as soon as possible, becoming an integral part of Europe at the start of the 21st century.

The reform of the legal framework, the creation of a law-governed and democratic state, and the protection of the rights and legitimate interests of the individual were among the greatest achievements of the last four years. The old structures and institutions of the state and of property ownership were totally overhauled and regulated by law. Codes and several hundred laws were redrafted for this purpose. These are being continually improved as we continue with the reform and gain experience. A new administration has been created based on new practices and on democratic laws and bylaws. No field of social, economic, and political life has been left without new laws. However, this work will continue in the future, always with foreign help and relying on the advanced experience of the West to delineate fully a law-governed state and a market economy.

Yet much remains to be done to enforce the laws and other state decisions and to eliminate the shortcomings and defects noticed in this area. This must be an imperative duty for the new legislature.

Since 1995, the possibility of developing a modern and democratic socioeconomic structure has become a reality. Private property, civil freedoms, business activities and competition, not excluding a social dimension, now prevail.

The Economy and Finance

The reform of the Albanian economy has been and will remain the primary objective of the Democratic government in this legislature. This will be achieved by a range of measures that will involve deepening and consolidating economic reform by restructuring the economy.

The aim of these measures will be:

—To complete privatization before the end of the century;

—To guarantee genuinely property rights and to make property sacred;
—To refine and improve the legal framework so it will reflect and anticipate socioeconomic developments;
—To create conditions for the operation of financial and labor markets;
—To improve the state administration at all levels, coordinating central and local government.

On the basis of the results achieved during its first mandate, the government will carry out its medium-term program as approved by this parliament, with the aim of ensuring stable development. In the medium term, the program will have the following aims:

—To maintain the high rate of growth in the GDP with the aim of also expanding the share of industry and tourism;

—To increase levels of employment by boosting production, encouraging private initiative and public investment, and through policies to stimulate job creation. By reducing unemployment, we will encourage job creation for the young and for those who will move from the countryside to the towns;

—To stabilize prices by keeping inflation under control, relying also on a policy of giving credit to primary investments;

—To stabilize the foreign debt by improving the balance of trade and the current account;

—To reduce the budget deficit in relation to the GNP by a two-sided policy on income and expenditure. In 2000, the internal financing of the deficit will be at a level comparable to that of developed countries, and it will be entirely possible to cover it from domestic resources;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

—To reduce subsidies for social security in order to create conditions for private investment in this field, too;

—To carry out public investment, especially in the infrastructure, in order to create conditions for stable economic development;

—To further develop the educational system with the aim of achieving high standards in order to respond to the needs to modernize social and economic life and to improve youth employment;

—To continue to create a health service of acceptably high quality, comparable to that of Europe. At the same time, the economic basis of the health service will be improved, with a goal of achieving self-financing and reducing costs to the state budget.

In order to achieve the program objectives, it will be important to:

—Coordinate fiscal, monetary, and foreign exchange policy with a relatively moderate fiscal policy;

—Introduce incentives, microeconomic policies, and customs and taxation policies that will encourage competition, limit monopolies, ensure price differentiation, and encourage foreign investment.

The priorities of the government's economic policies will include:

1. Support and encouragement for the development of the infrastructure, tourism, agriculture, and agro-industry;

2. Incentives for stockbreeding as part of agricultural policy;
3. Encouragement for small- and mid-scale production, especially in light industry and food production.

The resources used for achieving these objectives will be:

a. Better mobility for private savings;

b. Improvements in the structure of budget expenditures, with an emphasis on investment;
c. The financial market and new institutions;
d. The attraction of foreign investment and direct private investment;
e. Foreign financial support.

The stabilization and subsequent reduction of the budget deficit will remain one of the government's main objectives, but on the basis of today's living standards and the great need for public investment, the budget policy, as a synthesis of the Democratic Party's economic policy, will necessarily also have a social character.

These things will be achieved by increasing tax revenues and reducing fiscal evasion. All levels of government will work on a general review of fiscal legislation, coordinating it better with European legislation and making it play an important part in increasing budget revenue and reducing fiscal evasion. It will be constitute a guarantee for foreign investors, which are on the verge of making major investments in our country.

Our objective is for tax policy to stimulate employment through marked differentials in branches and activities that require a larger labor force and create new jobs.

One of the main objectives for the forthcoming years will be modernization of the customs system. The construction of new customs complexes, giving priority to the east-west and north-south transportation corridors, will in coming years give a proper physiognomy to the customs service. We will also equip the service with the necessary infrastructure, which will serve the country's future development.

Besides the above, the aim of these measures in the customs service during 1996 and beyond will be to ensure increased customs revenue and to reduce evasion and smuggling to a minimum.

Another important field involving customs revenue, bearing in mind our association with the EU, will be to review customs tariffs on the basis of a study to determine an optimal relationship between tariff levels and the revenue accruing from them.

The aim of the ongoing tax reform will be to complete the tax legislation. It must be simpler to understand and enforce. It will rely on the same principles and in essence will be similar to that of the OECD countries, even though the level of individual taxes will be lower and the tax burden in general will be lighter.

The tax legislation will also be based on the principle of nondiscrimination. That means taxpayers engaged in similar or identical activities must be taxed in the same way, regardless of whether they are individuals, legal entities, citizens of the country, or foreigners.

The full two-level scheme for the budget is scheduled to go into effect in 1997, with central and local budgets. This will make it necessary to undertake important legislative and administrative steps.

In the field of legislation, a law on local finance will be drawn up and approved, as well as a fiscal package to expand the base of local government revenue.

Administrative structures will continue to be improved to control and administer the budget.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In order to create and improve capital and financial markets in Albania, the main objectives for organizing the treasury from 1996 to 2000 will be:

—A budget policy that will aim to effect the structural improvement and effectiveness of public expenditure by directly or indirectly reducing expenditures, improving the framework of social protection, and liberalizing prices.

—An expenditure structure that will reduce the specific weight of expenditure on wages by streamlining state administration and improving work efficiency.

Industry

Between 1992 and 1995, many light industrial and food production enterprises were reactivated and new enterprises were created from the division of larger ones, which resumed work thanks to their privatization. A considerable number of joint enterprises were created. Perhaps not all were successful, but they stimulated production in those fields where they met with success.

In the future, the strategy of industrial policy will aim at developing the industrial sector and increasing its share of the GNP on the basis of an industry that will be competitive in international markets. The objective of the government's active policy will be to prepare the country's industrial sector for further integration in Europe.

The government's active policy will extend to:

1. The field of legislation, in which the aims will be:

a. To complete a full legal framework that will precede integration in European structures;

b. To improve legislation on foreign investment and to establish special regimes for free industrial zones and other schemes to promote foreign investment;

2. The fiscal field, in which the policy of fiscal concessions for the first years of industrial production will be continued;

3. The field of credit, creating special preferential forms of credit to support the renewal of technology in privatized enterprises;

4. The development and refinement of mechanisms favoring honest competition;

5. A special preferential policy for primary branches of industry that achieve results and such primary objectives as employment in the fastest and most effective ways;

6. Incentives for industries with a closed production cycle, with the aim of establishing industries with high levels of added value;

7. A regional and sectoral policy that may include various sectors of industry in pursuit of the government's short-term objectives;

8. A policy to encourage and increase exports in general.

In exploiting natural resources, the government's policy will focus more closely on their management than on direct investment in extraction and production, which means a better management of the natural resources that are administered by public companies, with the ultimate aim of privatizing them. In managing these, models similar to those in the West will be used and this improvement will be carried out as soon as possible, with the aim of making the corporations not a burden to the budget but a source of revenue to be used in other fields that are thirsty for investment.

It will be desirable to select strategic investors for their privatization, in order to achieve the goal of continued production and the exploitation of the country's natural resources as soon as possible.

Foreign investment will also be attracted in the most various forms, from grants of concessions to BOO and BOOT [expansions unknown] finance schemes. These will permit us to advance fast toward the exploitation of natural resources, with the double effect of both increasing the GNP, and thereby the tax base of the economy, and increasing employment in areas endowed with natural resources, which in our country are the same areas that have the most acute employment problems and problems of the migration of people from their original homes to the large conurbations of the western plains.

In this field too, priority will be given to investments in closed cycles of processing using advanced technology.

Encouraging Foreign Investment

Encouraging foreign investment will be a government priority in the next four years. This will give added impetus to the country's economic development with the introduction both of direct investment and of such vital elements of the market economy as new technology and new marketing and management skills.

First, the most favorable climate for foreign investment will be created, which means a stable macroeconomic situation, a final decision on the problem of property, and stable fiscal and tariff policies that will be based on the achievements of the last four years and will constitute the basis of the government's economic policy.

Second, practical aspects of the problem of foreign investments will be improved, such as legislation and a simplified administrative procedure.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Special instruments that have proved effective in countries similar to Albania will also be used to attract foreign investment. We are already at an advanced stage with some of these, such as industrial parks or zones and preferential credit. If these examples, alongside traditional free zones, prove successful, they will be repeated in other places, giving priority to those areas where unemployment is most acute and where improvements to the infrastructure are less costly.

The government will also bear in mind the possibility of direct foreign investment in the development of the infrastructure in various regions.

Encouraging foreign investment also calls for intensive work in order to create as positive an image as possible for Albania among the international public in order to make clear the opportunities it offers to foreign investors.

Bearing in mind the solution of the problem of the foreign debt, the stable macroeconomic situation, and the prospects for fast growth, state investment protection agencies and similar organizations in developed countries of Western Europe will be asked to become more active in investing in Albania.

A trading policy of encouraging exports and of integration in world economic structures has been the positive signal we have tried to make to foreign investors since the start of our first mandate. More specifically, admission to the WTO, integration in EU structures, and a foreign policy aiming at the creation of close economic ties with all countries with a market economy will create an attractive atmosphere for foreign investment.

Energy

This four-year period will be very intensive in the field of energy, both in the growth expected in this sector and in its structural change.

The energy sector will remain a key area of the country's economy, and will have a primary claim on the public investment program. Projects currently under way will be completed and new projects will be supported in accordance with the strategic development plan for this sector. The fact is that major investments in electricity production, transmission, and distribution are necessary in order to cope with the economy's fast growth rate.

The private sector will also be attracted to investment in this sphere, with the use of familiar methods used in other sectors, BOO, BOOT, etc.

Privatization will be extended in this sector, as it is seen as a way of improving the management of such a vital and promising sector of the Albanian economy and of attracting strategic investors.

Major changes are envisaged for the gas sector, both in its industrial use and in its use by other consumers. This will also help to diversify our sources of energy. Advances will be made in linking Albania to European gas networks, in order to achieve a link before the end of the century.

Public Investments

On the basis of the inherited situation and the major objective laid down in its program, the government attached great importance to public investment between 1992 and 1996.

First, the policy of relying on our own resources was abandoned, and the public investment program received powerful support from international financial institutions.

Second, priority sectors were determined in accordance with the state's new role in the economy. This opened major opportunities for private investment, such as in the oil and construction sectors.

Third, it was foreseen that the private sector would gradually take over the implementation of this investment program.

The Public Investment Strategy Until the Year 2000

Public investments are seen as forming an important part of the government's economic development program in the next four years. Sector programs that are being prepared with the assistance of such international institutions as the World Bank and the EU will be a sound basis for better directing financial resources toward priority areas of the public investment program.

The main goals of the public investment program until the year 2000 are:

1. Constructing and improving the necessary infrastructure, such as roads, energy, water utilities, telecommunications, etc.;

2. Implementing important programs of the social infrastructure such as in education and health;

3. Investing in agriculture, irrigation, forests, etc.

The government will continue to support cyclical programs of public investment whose main aims are to solve problems of the infrastructure, continuing projects begun mainly in 1994 and 1995, and completing programs that have begun or have been prepared today in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

these fields. The relative levels of the distribution of resources of the public investment program according to sectors will be:

—Infrastructure and public investment: 16 percent of the resources of the public investment program. Larger projects will be undertaken in the highways, transportation, communication, energy, water supplies, and drainage sectors in order to create a modern and effective infrastructure that will encourage economic vitality and attract foreign investment.

—The management of natural resources: 16 percent of the resources of the public investment program. The primary fields will be the rehabilitation of the irrigation infrastructure; obtaining credit to cover investment needs and working capital in agriculture; and better management of land, forests, fishing grounds, and mining and water resources.

—The development of private enterprises: 8 percent of the resources of the public investment program. This will constitute the basis for the development of institutional capacities and advisory services in order to assist the development of business and trade. The larger part of the resources will be used to finance forms of credit for developing and restructuring enterprises.

—Human resources: 3 percent of the resources of the public investment program. Priority will be given to additional financial arrangements to rehabilitate and modernize the infrastructure and the health and education services.

—Services for the government and financial sectors: 3 percent of the resources of the public investment program. Support will continue to be given to the reform of the public administration and the restructuring of banking and financial services.

In distributing resources to different sectors, support for national and regional policies of economic development has also been borne in mind.

Ways of Financing the Public Investment Program

In the next few years, there will be major structural changes in the way the public investment program is financed.

First, foreign finance will significantly increase, because major projects in the infrastructure, for which foreign finance has already been secured, are being completed much faster, and the government has also secured financial support for its economic programs. Besides finance, it will also gain comprehensive assistance for the compilation and implementation of policies in different sectors and for defining, preparing, and carrying out primary projects at a national economic level.

Second, it is forecast that during 1996 alone, agreements for the foreign financing of the public investment program worth $450 million will be reached.

Third, nonconcessional finance from international financial institutions such as the International and European Banks for Reconstruction and Development and the European Investment Bank will increase.

Fourth, it is expected that the private sector will be more closely involved in financing a number of infrastructure problems with the familiar BOOT and BOO schemes, or other schemes used in countries experiencing fast development, in order to supplement inadequate public finances from private resources.

The government will work to obtain grants for technical assistance for the public investment program and loans with easy terms to finance critical economic programs of the social infrastructure and for public utilities. Foreign nonconcessional loans will be restricted to the financing of investments that will be commercially effective in public utilities and to finance the economic infrastructure as part of broader financial packages that will include a significant proportion of financing by means of grants.

The Strategy of Using Private Finance Until the Year 2000

Since the start of the reform, the policy has been that the state should intervene primarily in order to create conditions for economic development and to encourage the private sector as the engine of the economy. Foreign finance will also be used for the following objectives:

1. Constructing and improving basic infrastructure such as highways, the infrastructure of the electricity supply network, water supplies, irrigation, drainage, telecommunications, etc. Intervention in these fields will aim at the present normal development of the market economy and at opening to the country prospects for several decades of quick development.

2. Completion and refinement of the legal framework and the construction and consolidation of the new institutions of a democratic state.

3. Stimulating and strengthening the country's productive base by:

a. encouraging the creation of up-to-date financial institutions that will mobilize internal resources and make possible their effective use;

b. supporting the development of small businesses;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

c. completing mass privatization and support for enterprises after privatization.

4. The application of programs of social support.

5. The pursuit of policies in certain sectors and regions.

In order to increase the effectiveness of foreign finance and to shorten the financial cycle for projects, we will bear in mind the following:

—Increasing the level of disbursements to the level forecast and better preparation and forecasts for new agreements;

—Continuing cooperation with international financial organizations in order to mobilize other financial resources;

—Continuing improved cooperation with such countries as Germany and Italy within the framework of intergovernmental economic and financial cooperation, and with countries such as Switzerland and Japan as joint financiers of large-scale projects for the infrastructure.

Bearing in mind the individual characteristics of different donors, projects will be proposed in which they have the greatest experience and in which they possess relative advantages over other donors.

Urban Development

In the last few years, the populations in urban centers in our country have grown rapidly due to migration from rural to urban areas. This fast population growth has not been accompanied by an expansion of the infrastructure to meet the population's needs. For this reason, the aim of the government in this sector will be a studied urban development as a vital need to respond to new concepts of development.

Our country demands new forms of urban development conceived from a new and more liberal point of view, on the basis of innumerable private initiatives. The construction of facilities and complexes of facilities must therefore be studied as a whole in relation to the town. The government will compile new strategies to prevent the unplanned construction of buildings that interfere with urban planning. Regional studies, interregional studies, and master plans for coastal and tourist regions will become the objectives of urban planning in the near future, because previously unknown economic and social activities are developing in these areas.

One important direction for urban development will be to consider with the help of pilot studies urban and suburban zones that involve not only local inhabitants but also opportunities to solve problems that are arising. The involvement of private investors and the recuperation of expenditures offer two ways of finding financial resources.

Tourism

Tourism remains one of the basic branches of Albania's economy, thanks to the country's suitable natural, economic, and social conditions. That is also the reason why the activity of the state in this field will be decisive in order to ensure the most favorable conditions for the development of tourism. Work will therefore continue on regional studies in the form of zonal planning, giving better consideration to the problems of urban planning, architecture, and the balance between industrial and tourist development.

The main forms of state intervention will be:

1. The compilation of a full legal framework, improving existing legislation, and reflecting the changes that have recently taken place. Work will be done to prepare laws that regulate marinas and yachts and the classification of tourist facilities.

2. The construction of the main national infrastructure, which will form a basis for the guided and stable development of tourism on the coast. This will involve support from international organizations for priority attention to:

—The restructuring of the national road network near tourists areas on the north-south axis.

—The construction of the main networks of water utilities, drainage, high-tension power lines, and postal and telecommunications services in the coastal areas.

—The rehabilitation of certain airports for internal flights such as at Shkoder, Kukes, Korce, and Vlore, and the construction of an international airport at Sarande, together with the presentation of town planning studies for coastal and interior regions.

—The construction of a number of tourist harbors will also be encouraged, concentrating on Shengjin, Durres, Vlore, Himare, and Sarande.

The Environment

Only in the last four years of Democratic Party government has an effort been made to address the problems of environmental protection in accordance with contemporary criteria of organization, planning, and management.

We will continue to work according to the national strategy and plan for environmental protection, which includes organizational and technical measures whose rigorous enforcement guides economic and social progress

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

according to the principle of "stable development." Work will be done to complete the legal framework, and we will insist on greater environmental component in development policies, in the growing investment in the urban infrastructure, in the reduction of industrial and agricultural pollution, and in the conservation of nature.

One important step will be the creation of the "national environmental fund," which will constitute the main source for the repair of damage caused by pollution and the avoidance of deleterious environmental effects caused by new industry, agriculture, tourism, etc. This law will operate according to put the principle by which "the polluter and the user pay," which introduces financial instruments into environmental protection. The possibility of creating environmental funds at the district and municipal level will also be examined.

A law on "land conservation" will also be prepared. This will constitute a legal framework for the protection of land from pollution, use, erosion, and so forth and will create a legal framework for water, air, parks, protected areas, and the administration of the coast, biodiversity, dangerous waste, urban refuse, and sewage.

We will make every effort to strengthen environmental protection institutions at both central and local levels and will create the necessary units in all ministries. These will be responsible for the administration of the environment and natural resources, research work, and the coordination and development of policies for sectors.

An environmental policy will be enforced that takes into consideration the repair of damage caused by erosion, which calls for the rational use of agricultural chemicals, improves and adds to the forest stocks, and safeguards the coast, green areas in towns, and protected areas. Attention will focus on drawing up a national strategy for the use of water and on plans for the improvement of the system of collecting and transporting urban and industrial refuse, including waste water.

The commitment, involvement, and control of the public will be decisive in environmental policy.

The Public Services of the Infrastructure

Public services of the infrastructure will be at the center of the attention of government programs and will include the infrastructure of the supply of water to the population, sewers, housing, and the regulation of territory in urban and rural zones, with particular attention to centers recently created by the migration of the population.

Water Utilities

Although Albania is rich in water resources, water supplies to urban and rural areas are still critical as a result of the worn-out indoor and outdoor piping network we inherited, the unreasonable price of water, and the thoughtless use of water.

In this sector, we will aim:

—To ensure the continual supply of high-quality water to the main urban centers;

—To construct water utilities in areas where no potable water supplies exist;
—To improve the effectiveness of services in the water utilities through better maintenance;
—To draft legislation that will make it possible for this sector to operate on a self-financing basis as in many countries of Europe and the world;
—To start the privatization of water supply services, creating conditions to cover the costs completely and reducing claims on the budget and on investments in the form of subsidies.

Of course, the costs of a service at European standards and of long-term projects are very high, and the state budget cannot cover them. A considerable amount of foreign financing has therefore been set aside for projects to supply the population with water.

An important plan to rehabilitate the water utilities in a number of cities is now under way. The water utilities in Tirana, Durres, Kukes, Krume, Korce, Kruje, and Kavaje are being rehabilitated with help from Italy, Germany, and UNIDO [United Nations Industrial Development Organization]. This rehabilitation includes replacing and repairing pipes in the distribution network, new pumping stations, the installation of junctions, and a new reservoir at Boville. The rehabilitation of water utilities has begun in some other areas and will continue between 1996 and 2000.

Sewers

The present sewer system is in a dire state. The sewer system is not comprehensive and has faults and weaknesses inherent in its very technical design. It is not surprising that we are faced with these problems, because it was a consistent policy, evident in other cases too, to neglect environmental problems that required additional investment for their elimination. That is why Albania has no sewage treatment plant. The most serious situation is in the large towns, in which the number of inhabitants has risen dramatically and the sewer system does not cover all the recently urbanized areas.

The government's objectives in this subsector will be:

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

—To reduce environmental pollution and the dangers to human health with the help of immediate investments to rehabilitate the existing sewer systems;

—To continue the major investment programs in this field;
—To improve the control and treatment of raw sewage;
—To prepare a tariff system aiming to place sewage treatment on a self-financing basis.

In order to achieve these objectives, the government has drafted a strategy of intervention on the basis of the urgency of certain cases. The poor condition of various sewage systems has required a rehabilitation program and the construction of new facilities in some areas. The government is undertaking a program for the main towns such as Tirana, Vlore, Pogradec, Durres, Sarande, Korce, Kavaje, Kruje, and Kukes, with finance from the state budget and from may donor organizations and states such as the EU, Germany, Japan, and Austria. Between 1996 and 2000, improvements will also be made in other cities including Shkoder, Berat, Lezhe, etc. Priority has been given to those areas in which the situation is most serious from the point of view of environmental pollution and hygiene, and to areas with prospects for tourist development.

Public Services in Urban Areas

The city cleaning system inherited from the past is unworkable under a market economy, which requires this work to be economically viable, i.e. self-financing.

This will involve the preparation of a legal framework for the supply of services and for finance from local taxation. This will lead to the introduction of private capital in machinery and equipment, new technology, more effective management, and above all a higher quality of service.

With the approval of the law on local taxation for the finance of street cleaning, we may consider that the scheme for the improved organization of public services is in its broad outlines complete. The strategy for the sector's further development will therefore anticipate:

—The continued liberalization of the street cleaning service and its organization into a private company bought through open competition.

—An improvement in the legal framework in order to ensure the regular and effective operation of these services and also the protection of the technology used by the contractors.

—The improvement of the administrative framework of local government, which will manage these services, also determining a procedure to be followed in precisely calculating the costs of performing a service and controlling the standards of services.

—Central government support to cover any shortfall that may be created in the initial phase of applying the law on local taxes for street cleaning, between the amount of taxes collected for this service and its real cost.

—Solving the problem of dumping and disposing of city garbage in places where it will pose no danger. In this context, the possibility of building an incinerator to cover the region of Tirana, Durres, and Kavaje is being studied.

Housing

The government is committed to a considerable increase in public investment funds for the homeless. Priority will be given to former victims of political persecution who are homeless, tenants in properties that are being restored to their former owners or to emigres, and those living in unhygienic or very cramped conditions. In the legislation drawn up for the homeless, a part of the cost of the housing will be borne by the state, and the remainder by bank credit on favorable terms. After housing the homeless, the state will continue to involve itself in ensuring housing for homeless families who live below minimal living standards, building rented housing for them.

The state will also commit itself to improving legislation in favor of house purchasers and those who build and sell apartments, creating suitable forms of credit for this purpose.

Transportation

Privatization of transportation has been at the foundation of the government's economic policy between 1992 and 1996, thus achieving significant improvement in the services used by the public, applying sound economics, and reducing state subsidies. The policy marked the start of a protest that will lead to a conclusive solution to the distribution of labor in the transportation sector.

In the years 1996 to 2000, the government's objectives in transportation will be:

—To develop and rehabilitate the infrastructure of the roads as the main basis of transportation under the market economy, securing sources of financing on easy terms in order to support transportation and to ensure fast economic development.

—To deepen the economic reform in transportation, especially in the railroads and the urban bus service, by extending privatization, making public services more commercial, and recuperating costs in individual sectors with the help of price and tax policies.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

—To perfect the institutional structures, laws, and regulations to meet European standards in order to ensure the best possible operation of transportation services and to introduce a high degree of competition.

Road Transportation

Between 1992 and 1996, road transportation was characterized by new phenomena. The permission of free private initiative and the privatization of freight carriers, interurban buses, and repair facilities have created a new transportation structure. Progress has been very fast in road transportation. The rate of annual growth has been more than 30 percent as a result of allowing competition with the railroads, changing the structures of the branches of the economy, the increase in the quantity of imported consumer goods, and privatizing domestic and international freight transportation.

Public transportation, which will consist of urban bus services in the capital and 10 other large towns, is forecast to cover the transportation needs of the population, both in capacity and quality of service. It will rely on studies already carried out with foreign assistance, and will be guided by pilot projects. Steps toward privatizing urban passenger transportation will be taken on the basis of advanced Western models, perhaps in joint ownership and with the involvement of the state in the initial stages, with the aim of reducing its stake in the future.

The goals for the future of road transportation are:

—To reconstruct, rehabilitate, and maintain the road infrastructure;

—To improve the system of road maintenance, increasing the managerial skills of local authorities that are responsible for this service, and also increasing their abilities to assess the services of private firms that win maintenance contracts;
—To study ways to privatize urban passenger transportation and to reduce state subsidies;
—To draft a legal framework, including a highway code, a law on road transportation, and a law on the state inspection and technical safety of motor vehicles.

Rail Transportation

After the disruption and cuts in rail services at the end of 1992, rail transportation began to operate gradually between 1992 and 1996, including passenger transportation. Despite all the measures taken and support from the state budget, as well as intervention from the EU in the railroads' most essential problems, the state of the rail network, its rolling stock, and transportation capacity, remains dire.

This is one of the factors deterring customers from using rail freight, besides the main factor, which is the decline in the mass production of the raw materials of the ore and coal mining industries, chemical production, and oil byproducts.

The objectives and strategy for the development of rail transportation will be:

—To decide and carry out concrete measures that will determine the role and size of the rail network in the market economy;

—To start the privatization of the railroads;
—To aim at reducing the subsidies to passenger services by gradually cutting costs and revising fares;
—To improve the law on rail transportation by introducing the demands of the market economy;
—To complete the institutional reform of the railroads with the reorganization of the General Railroad Directorate and its subdivisions.

Sea Transportation

The structure of sea transportation has changed in the years 1992-1996 with the start of passenger services by new private companies and greater ferry traffic under the operation of foreign and domestic shipping firms.

The rate of growth in transportation by sea is beyond all comparison. About 360,000 travelers a year now enter or leave Albania by sea. More than six passenger ships and ferries dock at our country's ports each day, compared to three a month in 1990.

The program for the future development of sea transportation plans for the faster rehabilitation of the ports of Durres and Vlore. The port of Durres will be included in the second transportation project financed by the World Bank for rebuilding the jetties and deepening the channels of entry, while it is planned that the port of Vlore will be included in the EU's Cross-Border Program. It is planned that these programs will start during 1996.

The objectives and strategy of the development of sea transportation in the period between 1996 and 2000 are:

—To rehabilitate and reconstruct the sea ports in order to respond to the growing demands of the economy and of tourism;

—To intensify the economic reform, mainly in the gradual privatization of loading and unloading and the creation of a supervisory authority for the private bodies working in the ports;
—To prepare a new legal package for sea transportation;

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

—To continue the institutional reform by creating port authorities for the modern management of the ports.

Air Transportation

Since 1992, air transportation has experienced significant change, both in the number of foreign airlines flying to Albania and with the creation of two Albanian airlines. The number of air passengers increased two and one half times in 1995 compared to 1992. This increase in the number of passengers is a result of the policy of opening Albania to foreign countries.

The objectives and strategies in the development of air transportation will be:

—To complete the rehabilitation of the basic infrastructure of Rinas Airport and to continue the program for the development of the passenger and freight terminal.

—To carry out modern studies on the development of domestic air services and to bring local airstrips into service;
—To study and determine areas for privatization in airport services;
—To intensify the institutional reform in the reorganization of air transportation. The General Directorate of Civil Aviation will be developed.

Telecommunications

During the last few years, telecommunications have undergone significant development with the compilation of the master plan and the strategy of telecommunication development and with investments that will open up new opportunities under the conditions of the market economy.

The most important future development in the government's program, in total harmony with the general strategy for telecommunications development, will be twofold:

1. The liberalization of telecommunications services, extending licenses to new private operators.

2. The privatization of existing state operators, according to predetermined strategies.

This will create competition, which will improve the quality of services, reduce prices, and improve the economic effectiveness of telecommunications companies. This will lead to an increase in investments and an improvement in the manner of direction and management and also to improved efficiency that will have a very visible effect on the growth of the company's profits. The gradual privatization of telecommunications will create revenue for the state budget that may be invested in other sectors.

During the next few years, there will be a significant development of cellular telephones. The aim before the end of 1996 is to cover other important areas of Albania, such as the Elbasan-Librazhd-Pogradec-Korce-Kapshtice and Balish-Tepelene-Gjirokaster-Kakavije-Sarande-Borsh-Himare-Llogara axes. This will mean that there will be service along national highways and at border crossing points that will precede the growth of tourism. Expressed in figures, the objective for the end of 1996 is for the cellular network to cover more than 60 percent of the country's area and 85 percent of its population, while by 2000 we will achieve 90 percent of the area and 98 percent of the population.

Particular importance will be attached to the development of a rural telephone service that will be supplied with modern equipment providing reliable, high-quality communication. Telephones with magnetic cards will be installed in villages covered by the cellular network. In some places, rural satellite systems, which can be very quickly installed, will be introduced.

In this way, a full framework of electronic telecommunications based on the most modern technology will be created in Albania within the shortest period of time.

The Privatization Program

Within the reform of the Albanian economy as a whole, the privatization of state property and its transfer from the state to the individual has been one of its most far-reaching and successful policies.

We remain convinced that the destiny of the reform and the future of Albanian democracy depend on privatization.

During the 1996-2000 legislature, those small and mid-sized enterprises that still remain in public ownership will be privatized according to the classic method of privatization and within the existing legal framework. The privatization of enterprises that are under the administration of the Agency for the Restructuring of Enterprises and the privatization of parcels of shares owned by the state will also be completed, and these will become partially privatized and joint enterprises.

As part of the mass privatization program, we will continue to transform as fast as possible those still unprivatized state enterprises into commercial companies and will continue to privatize mid-sized and large enterprises that meet the criteria for mass privatization. Meanwhile, the remaining quantities of privatization bonds will be distributed, ensuring their use in companies that are to be privatized.

During this legislature, one of the main directions of the process of privatization in Albania will be to continue

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to privatize sectors of strategic importance such as the energy sector (hydroelectric stations and the oil and gas sectors), mines, telecommunications, the water supply network, ports, airports, and railroads. The privatization of enterprises and strategic sectors will be preceded by the compilation of platforms for each of them. On this basis, the necessary legal framework will be completed and regulations for the technical procedures for their privatization will be determined where they do not already exist. In all these fields, the methods of privatization will be decided case by case, with the aim not only of finding strategic investors, but of involving as far as possible the population, who possess bonds and privatization leks, in pursuit of a program of mass privatization. The aim will be to achieve the best possible selling price through the organization of international tenders and negotiations.

The government considers the privatization of the banks to be of primary importance, and for this reason, on the basis of the relevant procedures, the banks will be prepared for privatization. Shares in banks will be sold to powerful foreign investors, Albanian investors, and the population through the mass privatization program.

Another aspect of this process is the support for privatized companies from the mass privatization program. The problems that privatized companies experience will be analyzed and programs to support them will be drawn up. The necessary legal framework for this will be compiled in order to support these companies technically and financially, and with the aim of restructuring them and increasing theirefficiency. Privatized companies will be assisted with the issue of new packages of shares in order to increase their capital and improve their liquidity.

The existing legal framework will be improved in order to stimulate the creation and effective operation of investment funds and other financial mediators involved in the privatization process. The legal framework for protecting shareholders' rights and administering shares still owned by the state will also be completed. Shares will be registered and rules for their trade will be laid down. The stock exchange will play an important role in all these procedures and for this reason the stock exchange will be consolidated and its involvement in the privatization process encouraged.

It is obvious that, if the long and important process of privatization is to be successful, the entire process must be accompanied by public relations and information in order to create public awareness and involve the population as fully as possible.

Agriculture

Because of the country's demographic structure, agriculture will continue to play an important part in the Albanian economy and the government will, during the next four years, work to improve its structures and apply the most advanced European experience to further encourage the fast growth of agricultural production and of the earnings of the agricultural population, achieving at the same time better standards of quality and quantity in nutrition.

The main ways in which the government will achieve this important goal are:

1. Completing and improving the legal framework in the field of agriculture and food and gradually adapting it to the legislation of EU member-states;

2. Competing the privatization process and expanding the private sector especially in the processing of agricultural products and services and certain aspects of scientific research;

3. Consolidating private ownership of land and other privatized assets, guaranteeing freedom of private initiative, and completing the process of compensating former owners of agricultural land;

4. Greater financial and technical support through private investment and budget finance for the rehabilitation of the agricultural infrastructure such as irrigation, the road network, the processing and trade of products, and the protection of the health of animals and plants;

5. Introducing a suitable customs and fiscal policy in order to support primary products in harmony with the level of their development;

6. Protecting producers' incomes by creating conditions for proper competition, levying reasonable taxes, and providing information about markets, prices, and so forth;

7. Encouraging the development and consolidation of production priorities and the creation of a profile for Albanian agriculture in meat and dairy production, vegetables, cereals, fishing, orchard fruits, and forests, and in the processing of meat and dairy products, vegetables, tobacco, drinks, oil-yielding crops, etc., and through guidance for investment and support and fiscal concessions for peasants and agricultural processors, while not restricting free initiative and competition;

8. Encouraging cooperation in production, marketing, and finance, along with respect for the individual's free will. This will help to exploit more rationally productive resources as trade is restructured and developed.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Particular importance will be attached to associations of private farmers for this purpose;

9. Encouraging the production, trade, and rational use of agricultural resources such as water, seeds, saplings, fertilizers, and stockbreeding facilities with the help of reasonable fiscal and nonfiscal support and concessionary policies, as well as subsidies for the import of agricultural chemicals and their production at home;

10. Encouraging exports with the aim of improving the balance of trade. For this purpose, investments will be encouraged in primary sectors and in cooperation, specialization, food inspection, and projects for integration in international organizations;

11. Developing, extending, and improving advisory services for producers and stimulating private consultancy services;

12. Encouraging the nonagricultural employment of the agricultural population through suitable policies that will enable economic development to generate new jobs outside agriculture;

13. Increasing the effectiveness of scientific research in the country in order to support the long-term development of agriculture and its associated sectors. The academic qualifications of institutional staff will be improved, the research system will be supplemented and restructured, and scientific research will be directed toward practical goals, while the institutes will also be encouraged to become more independent and self-financing. Efforts will be made to secure support for graduates in agriculture through retraining and special programs of financial support in order to apply as far as possible the contributions of agricultural specialists.

The Social Program of Employment

During the last four years, we have worked to create a social free market economy and to encourage and build new social structures and institutions for employment and also legislation for employment and social issues, thus ensuring the foundations of a comprehensive labor and social policy which has the basis and the funds to carry out an effective employment policy and to introduce an effective social welfare network.

During the coming legislature, the government's main aim will be to create conditions for Albanian citizens to participate in the country's economic development, offering them alternative opportunities and courses of action that will include governmental, nongovernmental, and private initiatives, improving the work of social and employment agencies.

In order to make it possible for citizens to take an active part in the country's economic life, all forms of training will be developed and strengthened, in particular supporting and providing skills for job-seekers who are experiencing difficulties in finding work on the labor market. For this purpose, the capacities and numbers of existing training centers will be increased and the professional training of young job-seekers will be encouraged in order to train them for new vocations and trades that will quickly adapt them to the needs of the labor market. In particular, private training course will be encouraged and supported and will be contracted by the Labor Ministry on a contract basis.

In order to continually reduce unemployment and increase citizens' incomes, new jobs will be encouraged, and employers creating a new job will be supported to the amount of 80 percent of the minimum wage for each new worker employed. Self-employed persons that apply for the first time for a license to carry out a service business will be supported, and people bent on achieving self-employment will be assisted through training groups and business clubs.

A national employment fund will be created to finance these activities.

The government, through its own program for the economically vulnerable, will aim to change the concept of economic assistance to one of social assistance; that is, it will give economic aid to poor families, but will also analyze the social causes of poverty, assessing these families' real opportunities for making a living and ensuring education and employment in order to meet their cultural and social needs. The family will thus be transferred from economic support and integrated into a social welfare network.

In order to accomplish this, we will base the calculations of the amount of social welfare on a minimal level of unchanging needs for different social categories, supplanting the present referral system (unemployment pay) and abandoning identical treatment for all categories and different personal circumstances. For this purpose, the local social welfare budgets will be fully decentralized and the responsibilities of local government will be increased, which will also make it possible to introduce other social assistance programs in addition to welfare to cover the needs of subsistence, such as assistance for housing, education, health care, etc.

It is obvious that an effective social welfare system will require tighter controls both locally and centrally.

As in the previous legislature, the government is committed to developing and improving the network of social care by increasing the number of care institutions and improving the conditions in existing institutions for

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

orphans, the elderly, and the handicapped, also encouraging nongovernmental organizations to involve themselves in and to assume increasing responsibility for the work of these institutions. Noninstitutional social care will be encouraged by supporting families caring for these groups of people and by encouraging the creation of private social institutions.

During the next few years, the government will also have at the center of its attention financial and institutional support for former victims of political persecution, remunerating them for unpaid labor carried out during their imprisonment or internment and ensuring them housing in accordance with the country's present resources, including them in the privatization of the country's economic and natural resources, and securing them employment suitable for their situation in life and possible education for their children.

The government will consistently maintain the aim of achieving a whole system of alternatives for the social protection of its citizens, further improving the social security system through the creation of supplementary pension funds, and making it possible for people to insure themselves voluntarily in order to have higher pensions.

At the same time, we will aim to improve continually social protection by making possible nongovernmental and private initiatives to ensure supplementary pensions and social services.

We will develop systems of health and social security in order to ensure the social protection and health of all citizens.

In order to improve the operation of labor insurance, social, and health institutions, we will privatize some of these institutions and develop a multibranched system of social and health protection. We will aim to limit the monopoly of the state on basic social protection and will encourage a combination of private and state social protection, which will give people the opportunity to decide themselves how they will feel most secure and best protected.

During this legislature, the government will consistently pursue a policy of increasing pensions and unemployment benefits both in the towns and the countryside in order to help those who have no chance of playing an active role in the economy. We will continue to index pensions regularly and will support poor families in mountainous agricultural areas.

Higher Education and Scientific Research

With the aim of meeting the challenges of the country's rapid development and to compensate as far as possible for technological backwardness, we will work to create a single operational system of higher education and scientific research. For this purpose, special importance will be given to organizational and institutional "homogenization" in the system of higher education and scientific research, gradually bringing the scientific research institutions closer to the departments and faculties of the universities and creating joint programs on a single institutional basis in accordance with international standards.

Our primary aim will be to turn the universities into powerful centers of education and scientific research for the Albanian state, alongside the specific institutions of scientific research that will not be included in this model.

For this purpose, financial support for the higher education and scientific research system will be increased in an attempt to devote a proportion of the budget to these purposes similar to that of European countries, while also allowing the institutions relative autonomy in the use of these funds.

This will show these institutions in the best light internationally, expanding the possibilities of giving them ever greater financial support for their development.

As the country develops fast, it is imperative to improve the quality of higher education and scientific research by institutionalizing competition among all elements of the system, leading to its gradual international recognition. In order to meet the increasing demand for graduates, the number of college students accepted each year will be increased and will be doubled by 2000.

In order to accomplish the new tasks facing higher education, efforts will be made to defend one of the greatest values of higher education and scientific research: academic freedom and freedom of scientific research. The universal character of the universities will be expanded and the general caliber of students attending them will be improved. The universities will in this way respond better to new developments, their role in society will be increased, and the skills of new specialists will be extended and adapted better to the labor market.

We will aim to guide scientific research by the priorities of the Albanian economy, but we also consider its development in noneconomic fields to be very important. Agriculture and food processing, geology, mining, energy, life sciences, biotechnology, telecommunications, economics, and social and Albanian studies will always be important fields into which academic research will be extended.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Pre-University Education

The development of education at all levels will be a basic priority for the government in order that Albania may join the advanced countries as soon as possible and to ensure fast rates of development with a people equipped with up-to-date knowledge. Our program for pre-university education has the following aims:

—Education will encourage the fullest possible development of citizens as individuals with a democratic culture, able to confront the challenges of life as active members of society. We will create equal opportunities for all pupils on the basis of individual characteristics and preferences.

—The pre-university educational system will aim at standards recognized by European countries, while always valuing the national identity of Albanian education in harmony with European education.

—We will work for a flexible education system in order to respond best to the changes in Albanian society, the demands of the market, and the interests of the individual, and also to create a center for the spread of culture.

—These objectives will be achieved by further working for a better socioeconomic status for teachers and by giving them better professional skills.

For all this to take place, it is vital to reduce the proportion of pupils abandoning primary education before completing it and to increase the rate of those continuing on to secondary education to more than 50 percent.

In order to achieve these objectives, the following strategy will be pursued:

—The length of time spent in compulsory education and its organization into stages will be reviewed, with the help of the necessary studies and extensive public discussion.

—The curricula of different stages of schooling will be modernized, bearing in mind new socioeconomic and psychological phenomena and the needs and preferences of pupils. Vocational training will be introduced into compulsory schooling, and vocational streams will be introduced into general secondary education.

—Secondary professional education will be restructured on two levels (three years for skilled workers and five-years for qualified technicians) in accordance with the law "On the Pre-University Education System," with the creation of regional vocational schools with special subjects in accordance with the demands of the market economy and the trends of socioeconomic development, while also consolidating and expanding the network of pilot schools, especially for professions of the future.

We will support all these objectives with a reform of teacher training, additional management personnel, and in-service training.

In order to achieve a qualitative improvement in Albanian education, we will encourage all existing ways of encouraging talent in science, art, and sports, both in and outside school, and will also encourage the development of private education, especially secondary education. We will encourage a new policy in supplying school textbooks that will make sure they are of higher quality and are used more effectively.

As we also stated in the program of the Democratic Party, we will work to attain these difficult but necessary objectives by continually increasing budget expenditures for education until it reaches the level of developed European countries. This will be a constant aim of the government during the next four years.

Culture, Arts, and Sports

During this legislature, the government will pay greater attention to culture and the arts, aiming at a contemporary level of culture and the arts, their comprehensive development, and the consolidation of achievements in this field so far.

The state will intervene in favor of higher standards of quality in culture and sports, achieving ever-higher results and working for better conditions for new talents. It will support high-quality art and the cultural elite, while also stimulating the private sector in this field. Such a concept of the role of the state will inevitably demand the reconception and restructuring of the main artistic and cultural institutions.

We think that pan-national cultural integration must be an important objective for Albanian culture and the arts. Besides exchanges, this implies mutual studies and many joint creative activities among people of culture from the Albanian territories and the diaspora.

In its policy of supporting and developing sports, the government will make its own economic contribution and will continue to intervene to increase cooperation and integration in world and European structures, besides working to create increasingly independent management structures in accordance with the demands of the times.

Women and Youth

In its program, the government aims to provide solutions to many problems that are worrying families, especially women, in Albania. That is why a special body has been

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

formed that will concentrate on the specific problem and help solve it as quickly as possible.

The creation of the State Secretariat for Youth and Women is a positive sign for the expansion of this body in the future.

We will work to improve the position and socioeconomic status of women, to enable them to enter fully into the mainstream of economic development and to be naturally integrated in the development process. For this purpose, we will aim to increase employment through retraining programs for women whose professions are not in demand on the labor market. We will create easier conditions in families with working women with the help of state-sponsored social services, by encouraging women's initiative with special forms of credit, and by insisting that women in the villages should become managers of the family property, directing the marketing of agricultural produce and creating small businesses in the countryside.

We will work without any prejudice to systematically include women in development programs, to increase their participation in decisionmaking and political bodies, and to solicit their views through their organizations on specific problems and their solutions. This will lead to the drafting of important policies and laws. Attention will be devoted to policies in health and education by increasing the extent and quality of health care for mothers and children, increasing the funds used for this purpose, and training health care workers.

It is obvious that the state will also help women's nongovernmental organizations reinforce the autonomy of women by spreading awareness of women's rights, making women aware of legislation, extending and strengthening mechanisms that ensure respect for the rights of women and the young, and ratifying international conventions that protect the political, social, economic, and educational status of women and their health.

The state will play an active role in the extensive and multifaceted problems of Albanian youth, first in defending their rights; creating greater opportunities for their employment, their education, and their involvement in business, culture, sports, and the arts; and giving them priority in certain programs and fields. The challenges of the new century call for a younger generation that will be healthy, capable, and skilled. We will work for this goal.

The Government's Health Program

The basic objective of this governmental program is to increase individual well-being, which is closely connected to continual improvements in the population's health and is the guarantee of the healthiest way of life possible. We will outline the aims of health policy in the years 1996 to 2000. We will achieve these major goals in the health sector by:

—Ensuring satisfactory health care that is accessible to the population;

—Improving the quality of health care at primary, secondary, and tertiary levels.

1. Primary Health Care

At the level of primary health care, the first level of contact between the individual or the family and the health service, we will aim:

—To achieve health services on an equal basis without distinctions among Albania's different geographical areas, between the town and the countryside, between the young and the elderly, or among different strata of the population with different levels of income;

—To promote healthy lifestyles and health protection. Individual and collective awareness of the perils of dangerous vices such as tobacco, drugs, alcohol, and so forth must be improved;
—To reduce the indices of infant mortality to 25 per thousand live births and of maternal mortality to 25 per 100,000 live births by 2000;
—To contain contagious, infectious, and preventable diseases;
—To improve pregnancy care and to increase support for women during this period;
—To improve care for the rearing and development of children and to establish modern standards of nutrition, with support for families in those groups of the population considered as having the greatest need;
—To expand family planning services, in which more general medical practitioners will be involved, thus contributing to the attainment of the aforementioned goals;
—To complete the repair of health centers and the construction of new ones.
—To ensure state-sponsored dental prophylaxy and treatment for children under 18, improving health education and providing dental clinics with up-to-date equipment;
—To ensures adequate supplies of medicines at prices the entire population can afford, and to tighten controls on the import, quality, and registration of medicines;

2. Secondary and Tertiary Health Care

In secondary and tertiary health care, the aim will be to improve the quality of hospital services and to expand the range of services offered. In order to achieve these

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

objectives, work will proceed in the following main directions:

—The hospital service will be planned to respond to recent demographic changes and will be organized on the three levels of district, regional, and university hospitals. District hospitals will provide services in four basic specialties: pediatry, obstetrics and gynecology, internal medicine, and general surgery. Regional hospitals will offer services in specialties requiring more advanced technology. In some of them, new services such as haemodialysis and intensive care units will soon be opened. The university hospitals will offer services in all specialties, including such highly sophisticated forms of treatment as invasive cardiology, bone marrow transplants, endoscopic surgery, and prostheses of different kinds.

—The University Hospital Center will be modernized by 2000 with joint Albanian and foreign financing, with the installation of the most sophisticated apparatus;

—Emergency services in all the country's hospitals will be reorganized and equipped with the necessary apparatus;

—The national blood transfusion service will be reorganized and improved in quality on the basis of voluntary blood donations and with the aim of meeting the needs of all patients;

—Hospital catering will be continually improved. The rehabilitation of the heating, laundry, electrical wiring, and sanitary services in all the country's hospitals will be completed before the end of 1998;

—Problems of mental health will receive special treatment. This service will be reorganized on an out-patient basis, with the introduction of new forms of treatment in order to permit the reintegration of patients in society a soon as possible. Special treatment will be ensured for the chronic mentally ill, who will gradually be housed in small centers created especially for them.

3. The Finance of the Health Service

The government will work to continually improve the system of health service finance.

—Health insurance schemes will be extended to the hospital system and to dentistry. The list of medicines for which reimbursements are made will be improved, and the way in which general medical practitioners are paid will be changed.

—A preferential policy for privatization will be pursued, involving general clinics and medical practitioners, and specialists singly or in teams. This process will be supported by special forms of credit and auxiliary services in the public hospitals.

—The necessary financial contribution from the state budget will be secured to achieve the desired level of health care.

—Financial resources will be better administered through the use of up-to-date methods of management and the training of new directors for the administration of the health service.

We are convinced that it is entirely possible to gradually reach these goals and that they will lead to a radical improvement in health care.

The Main Objectives of the Legislative and Institutional Reform

One of the greatest of the Albanians' achievements throughout their history has been, during the four years of the Democratic Party's government, to replace all the laws and institutions of the dictatorial system with laws and institutions of a law-governed state of justice with the protection of human rights and freedoms as their focus.

With the close attention of the Democratic government, all the communist laws and codes have been replaced by new laws on Western models. We can, among others, mention the constitutional laws, which leave no constitutional vacuum, the new Penal Code, the Civil Code, the Codes of Penal and Civil Procedure, and a series of other laws in the field of justice such as the Law on Advocacy, the Law on Notaries, and the Law on the Registration of Real Estate.

This work that has been begun will continue at the same rate in order to complete as soon as possible the necessary legal framework for a democratic state and a market economy.

The main tasks of our future program remain:

—To draw up a new draft constitution that will be worthy of Albania and its democracy, and amending and approving the existing laws;

—To approve a law on the organization of the judiciary, the courts, the procurator's offices, and the High Council of Justice, in cooperation with foreign experts and on the basis of the world's most advanced experience;

One of the priorities of the next four years will be to rigorously enforce the laws already passed, because this is a necessary condition for the operation of the rule of law in Albania. In the future too, we will further commit ourselves to filling the legislative vacuum we inherited, in order to protect citizens' rights and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

freedoms. In this context, an administrative code will be drawn up, which will define according to modern standards the prerogatives and functions of the organs of the administration, their relations with individuals, and individuals' rights to access to the courts in the case of injustices. In order to complete the legislative reform, a family code will be compiled, which will embody an up-to-date concept of the family on the basis of a legally fair treatment of the position of women and children, in accordance with modern standards.

We will continue to work to review the whole of our legislation in accordance with European principles and standards. In this light, we will also review the documents governing our judicial and civil international relations, both bilateral and multilateral, such as those that regulate economic, financial, and judicial cooperation with the EU. Our even greater participation in international conventions and agreements will further enrich the democratic character and Western spirit of our legislation.

Great attention will be devoted to the humane treatment of convicts, by improving legislation and other elements of the prison system, extending their rights, and improving their living conditions.

We will also continue, together with you, to work to improve the institutional embodiment of the separation of powers as a basic condition for a complete state of justice. We will improve our reliance on a modern conception of state organization based on the principle of the separation of powers and their mutual balance and control, according to modern international standards, in order to achieve genuine, fast, and effective justice.

The Government's Program in the Field of Public Order

Four years ago, Albania was a country of chaos, anarchy, and organized crime. It required a great deal of labor and sacrifice for the police to be regrouped and turned into a constitutional institution that secures order, property, and public peace.

Full security of life and property and the guarantee of freedom, order, and the public peace will be the main objective of the government in the four years of its mandate. Thus one of the main directions of the government's work will be to create a police force that will be deeply democratic, humane, and efficient in the struggle against crime.

For this purpose, intensive work will be done to compile a national strategy to prevent and stamp out crime. The creation of the National Committee for the Prevention of Crime will contribute to this purpose. This committee will coordinate work among all the structures and bodies involved in the battle against crime and will mediate between them and nongovernmental organizations to prevent factors that encourage the growth and spread of crime.

In order to better perform the tasks facing the police, work will be done to supply the police force at all levels with legal and professional qualifications, with the aim of increasing their skills in intercepting crime, their quality of command at all levels, and their rigorous enforcement of the law.

Along with this, work will continue to modernize police training and to improve methods of qualification, using the experience of European countries and organizing specialist courses with experts in charge of aspects of the struggle against crime. Improving the legal framework in accordance with new developments remains an immediate duty for the Interior Ministry.

On the basis of the experience of the Western democracies, the police force will be reorganized on a national and local basis, involving the creation of municipal police forces with further decentralized responsibilities. The creation of central specialized offices for the struggle against drugs, arms trafficking, organized crime, and other related phenomena will serve to increase the standard of operations and the effectiveness of measures to stem crime.

All these tasks for the police will be accomplished while also strengthening relations with the public and placing them on an institutional basis by creating special offices, centrally and locally, which will provide and receive information. Work will be done to ensure that the Code of Police Conduct is observed. This is one of the conditions for creating relations of mutual trust between the police and the public.

Work will continue to achieve integration in European organizations and to further strengthen cooperation with the police of different countries, especially our neighbors, and to exchange experience and information of common interest in the struggle against crime. Cooperation agreements will be signed.

Alongside the government's care and support for the technical and logistical resources of the police, the need to improve policemen's working and living conditions will also be borne in mind.

On the Development of Local Government

During the last four years, the foundations of democratic local government structures have been laid. We will work to further develop them with the aim of creating a modern form of local self-government on the basis of the European Charter on Local Autonomy and other

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

international documents. With this aim, we will improve the existing legislation and will draft new laws and bylaws to regulate the work of local government bodies. These improvements will make it possible:

—To guarantee the work of the local government authorities in accordance with the law;

—To increase the responsibility before the law of the people's elected representatives;
—To guarantee respect for the state's interests at local level;
—To distribute responsibilities among different levels of local government and among different divisions of a local government authority;
—To increase the availability of local government information for citizens;
—To decentralize financial resources, to increase revenue, to establish a proper balance between local and central taxes, and to establish local councils' right to set taxes.

The present Law on Prefectures will be amended to further increase the scope of the authority of local bodies and to improve their legal activities.

The Albanian Government will define and divide the prerogatives of local government into primary or delegated prerogatives and secondary prerogatives belonging to local government by right.

The Albanian Government will also concentrate on increasing the economic effectiveness of the authorities of local government, harmonizing a broad range of activities, from the use of local resources with public and private titles to intercommunal cooperation and the delegation of authorities to the organs of local government.

It will work for the reformation and administrative restructuring of the organs of local government to make it possible for them to carry out the responsibilities entrusted to them by law and to solve problems arising out of specifically local situations.

The Albanian Government will institutionalize and improve dialogue between the state and elected local representatives, and associations of local representatives will be structured and developed.

The Albanian Government will encourage and support the operation of:

—A national committee of local government;

—A consultative committee for local initiatives.

The Albanian Government is committed to further support from the state for the administrative reinforcement of local government authorities at all levels so they can carry out to proper standards all the tasks entrusted to them by the law.

Administrative Reform and the Struggle Against Corruption

One important task for the government and the entire state administration is to work honestly in accordance with the law and with dedication in order to carry out the government program approved by the votes of this assembly. We will work to complete the legal framework for the state administration, which will lay down rights and responsibilities, principles of recruitment and promotion, and other safeguards in accordance with the most advanced Western models. This is being drafted with foreign assistance. It is obvious that this reform will be ongoing and continuous. It will involve the qualification and assessment of the administration and a purge of the incompetent and the corrupt.

Our aim is to have within as short a time as possible an administration that will be as qualified and able as possible and ready to meet the challenges of the future.

Alongside this reform of the central and local administration, we will wage an incessant struggle against corruption and private interests in the work of the state. The government considers corruption to be a dangerous phenomenon for democracy, and it is determined to wage an uncompromising war against corruption and corrupt elements.

The drafting of laws against corruption and the creation of the relevant structures to enforce them will lead to a significant reduction of this harmful phenomenon. Recognizing and enforcing the most effective structural measures and preventing the spread of organized crime in Albania on the basis of legislation and the practice of the most developed countries will constitute one of the government's main preoccupations in its aim to achieve ever more completely a state of justice with morally upright civil servants in which there will be no place for unfairness and crime except at the bar of justice.

Securing the Country's Defense and the Constitutional Order

The defense of national interests will be a primary task of our policy for the protection of the constitutional order and our security. We will continue to safeguard the survival of the country and the nation, to defend the constitutional order and the country's territorial integrity, and our free labor in peace and security. We will defend and aid the population and preserve social peace, while also contributing to regional stability and fulfilling our international obligations.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Our main objectives in the field of defense will be to prepare our Army for integration in NATO by meeting the basic conditions for admission. Our active involvement in Partnership for Peace and in its planning process and our military cooperation will be a transitional phase on the way to membership.

A basic document for this aim will be The Security and Defense Policy of the Republic of Albania (1995), and the military doctrine which we will further develop and improve.

We will continue to advance toward placing the Armed Forces under democratic and civilian control, consolidating the new and reformed structures of the Armed Forces, and encouraging openness in the processes of defense planning.

The new and reformed military training will be consolidated and the Armed Forces will be equipped with new weapons and systems, surmounting the technological backwardness we inherited. This will be achieved by exploiting the country's real resources and revitalizing and privatizing the state's defense industry. The conversion of part of the defense industry to civilian purposes in accordance with national interests will also help to modernize the Armed Forces.

Continual care for all the human resources of the Armed Forces will be of particular importance. This will be achieved by further reinforcing servicemen's legal and socioeconomic positions and improving living conditions and the infrastructure in the barracks.

The government will devote special attention to preserving the constitutional order. For this purpose, there will be legal and institutional improvements to the National Intelligence Service in accordance with the new conditions in the country, and the service will be consolidated, modernized, and supplied with better equipment in order to respond to the demands of the times.

Albanian Foreign Policy Until 2000

The major objectives of Albania's foreign policy in the forthcoming four-year period will be based on the achievements and experience of the last four years and the geopolitical situation in Europe and beyond. These objectives stem from traditional democratic aspirations and an aim to orient ourselves as well as possible under the conditions of modern European and world society.

In sum, these objectives are as follows:

1. Efforts will be increased to hasten Albania's integration into European and Atlantic organizations such as the EU, NATO and the Western European Union.

2. Diplomatic activities will be stepped up to strengthen the traditionally friendly relationships between Albania and the United States, Germany, Italy, France, Austria, Turkey, Greece, etc., and to consolidate the new relations of friendship that have been established in recent years.

3. Intensive efforts will continue to improve conditions that will further facilitate the free movement of Albanians in the region, in Europe, and the world.

4. Efforts will continue to consider and to defend with determination, coherence, dignity, and skill the Albanian national cause in Kosova, Macedonia, and other ethnic Albanian territories.

5. There will be a significant increase in the quantity and quality of information in international circulation about the rapid changes in Albania as a result of the multifaceted democratic reform, with the aim of strengthening Albania's image abroad, primarily in Europe.

6. Relations with our Balkan neighbors will be given priority consideration, in order to aid the country's development, strengthen peace and stability in the region, and solve the Albanian national problem.

7. The structure and operation of the diplomatic service in the Foreign Ministry and Albanian representations abroad will be further improved, and the legal aspect of the work of the diplomatic service will be strengthened.

8. Albanian diplomacy will take a more active part in bilateral and multilateral relations, with the aim of improving its ability to forecast and plan foreign policy.

9. Care for the Albanian diaspora and for Albanian emigrants of recent years will be increased, with the aim of protecting and developing their rights and their ethnic and cultural identity.

10. Diplomatic activity will be stepped up with the aim of encouraging foreign investors to come to Albania.

11. The role of the Foreign Ministry as the primary coordinating institution for the Albanian state's unified foreign policy will be strengthened.

We are convinced that carrying out this ambitious but realistic and feasible government program will be an important contribution to the progress of Democratic Albania, in order to secure for the Albanians equality, prosperity, and democracy. Attaining the objectives of this program, which is at the same time the program of the Democratic Party, is also our duty to Albanians' aspirations for freedom and democracy and for a better life. I am sure that with the support of Albanians, these things will be achieved. We will all work together not

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

only to increase our prosperity but to consolidate our state and the dignity of Albanians, which are basic conditions for solving the Albanian question and its century-old injustice. I think our work is for the good of this cause.

Allow me, ladies and gentlemen, to present to you the government, for which I hereby ask for your vote of confidence:

1. Tritan Shehu, deputy prime minister and minister of foreign affairs;

2. Halit Shamata, minister of the interior;
3. Ridvan Bode, minister of finance;
4. Safet Zhulali, minister of defense;
5. Kristofor Peci, minister of justice;
6. Suzana Panariti, minister of industry, transportation, and trade;
7. Abdyl Xhaja, minister of mining resources and energy;
8. Albert Brojka, minister of public works, land use, and tourism;
9. Maks Cikuli, minister of health and the environment;
10. Bamir Topi, minister of agriculture and food;
11. Edmond Lule, minister of education and sports;
12. Besnik Gjongecaj, minister of higher education and scientific research;
13. Teodor Laco, minister of culture, youth, and women;
14. Arlinda Ymeraj, minister of labor and social issues;
15. Dylber Vrioni, minister of privatization;
16. Arjan Madhi, general secretary to the Council of Ministers;
17. Hasan Halili, minister without portfolio;
18. Selim Belortaja, secretary of state for economic relations at the Ministry of Foreign Affairs;
19. Nijazi Kosovrasti, secretary of state for local government at the Interior Ministry;
20. Leonard Demi, secretary of state at the Defense Ministry;
21. Sokol Bejleri, secretary of state at the Ministry of Mining Resources and Energy;
22. Arben Babameto, secretary of state for transportation at the Ministry of Industry, Transportation, and Trade;
23. Marjeta Pronjari, secretary of state for sports at the Ministry of Education and Sports;
24. Roza Pati, secretary of state for women at the Ministry of Culture, Youth, and Women;
25. Robert Ceku, secretary of state for tourism at the Ministry of Public Works, Land Use, and Tourism.

I ask once again for your vote in support of the government and its program.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Bulgaria: UK Defense Secretary Meets Zhelev, Videnov

AU3007174696 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 30 Jul 96

[FBIS Translated Text] At their meeting today, President Zhelev thanked Michael Portillo, UK secretary of state for defense, for Great Britain's support for our country's application to join the EU and our aspirations to join the Western European Union, NATO, and the OSCE. During the meeting, the two leaders also discussed bilateral cooperation between Bulgaria and the UK, both of them expressing optimism about the intensification of this cooperation. They also discussed the future expansion of NATO to the east. President Zhelev and Michael Portillo said that following the elections in Russia, they expected that this will lead to a softening of Russia's attitude to the eastern expansion of NATO. Zhelev set out detailed arguments as to why he considered Bulgaria should become a full member of NATO.

Today Prime Minister Zhan Videnov received UK Defense Secretary Michael Portillo. In Zhan Videnov's opinion, the talks are timely and useful at a time when Bulgaria is conducting a serious discussion on its national security doctrine and is implementing the reform of its armed forces. This national debate is being held simultaneously with the ongoing dialogue on European security, of which the intensive dialogue with NATO and the Partnership for Peace Program form important elements.

In the course of their talks, Mr. Portillo stressed the important role that Bulgaria can plan in solving common European problems. In his view, the message is clear concerning Bulgaria joining the EU, and it is understandable that a national debate should be held on the NATO issue. For its part, he said, the North Atlantic pact has no wish to exert pressure on Bulgaria in any direction. According to Mr. Portillo, thanks to its special position, Bulgaria can also assist in developing the European security architecture, which should include Russia.

Prime Minister Zhan Videnov briefed Michael Portillo on the progress of the reforms in the economic field. In connection with Mr. Portillo's special interest in the work being done on attracting investments, the prime minister explained the actions being taken by the government to further improve taxation legislation and the opportunities offered by the Concessions Act. Particular emphasis was laid on the program for attracting foreign investments that had been submitted to parliament.

Bulgaria: 'Russian Mafia' Allegedly Controls Drug Route

AU0108085796 Sofia STANDART NEWS in Bulgarian 26 Jul 96 p 2

[Article by Vanya Pankova: "Russian Mafia Controls Opium Channel in Bulgaria"]

[FBIS Translated Text] For the past several years, Bulgaria has been one of the main drug warehouses of the Balkan peninsula. Drugs are stored in secret places in Bulgaria and at suitable moments exported to Western Europe, members of the special services said yesterday.

International news agencies reported recently that similar warehouses are also being prepared in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and Serbia. Those countries are as convenient as Bulgaria because of their economic crises and of the striving to get rich quick of the criminal world.

The land drug route into Bulgaria is controlled by the Russian Mafia, which replaced the Arabs.

Informed people are claiming that in the 1970's, international terrorists from the Middle East concluded a secret treaty with the Bulgarian services to transport the white dust via Bulgarian highways, providing that not a single gram remained in Bulgaria. At that time, the drug came from the golden triangle and golden crescent countries—through the Kalotina and Kapitan Andreevo border checkpoints.

The Syrian family al-Quasar, the Lebanese Shaguila and Nabil, and Carlos the Jackal kept their part of the agreement.

The new masters of the route, who replaced the competition by force, also developed markets in Bulgaria, sources from the National Security Service said yesterday. Drug merchants transport the opium over land from Asia through Macedonia, Turkey, and Bulgaria to the West, while the Columbia cartel use airplanes to transport their deadly wares to the United States and Italy.

In Bulgaria, the drugs are most often transported through the E-79 and E-80 highways and the Kulata, Vidin, and Malko Turnovo border checkpoints.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Bulgaria: BCP Leader Spasov Reveals Future Plans

AU3007091296 Sofia STANDART NEWS in Bulgarian 27 Jul 96 p 8

[Staff report: "BCP Convenes Comintern, Determines Course"]

[FBIS Translated Text] Over the weekend, Vladimir Spasov [Bulgarian Communist Party leader] has convened the new Comintern in his Sofia apartment.

Feverish activity is evident. A national union of the progressive and patriotic forces for the salvation of Bulgaria is being created. The participants are still a riddle. However, the organizer is clear—the Bulgarian Communist Party [BCP] headed by Vladimir Spasov, who also is the general secretary of the Communist International [Comintern] that he himself restored.

The activity related to the new formation is being conducted according to all the rules of a conspiracy. The project is being kept in total secrecy for another reason as well—attempts against the leader of the Communists. According to him, there have been many such attempts. After unsuccessful attempts to shoot and poison him, Vladimir Spasov is now fighting against "the attempts of the Bulgarian Socialist Party [BSP] and its provocateurs" to topple him.

Mr. Spasov says that a criminal BSP Central Committee, elected in a criminal congress, is preventing him from implementing his mission and saving Bulgaria. However, regardless of the difficulties, the tested Communist is convinced that his party is "doomed to win," because according to his calculations 92 percent of Bulgarians are behind his party, and also because "there is no one else but us," he says modestly. "The BSP is the most corrupt and Mafia-like party in Bulgaria. It brought Bulgaria to the verge of a catastrophe, and the sooner it disappears the better," the double general secretary says. According to him, the other 196 parties are "illegitimate midges and creations of the BSP."

Mr. Spasov thinks that the BCP will come to power within months. He has in his bureau the program with which the BCP will lead Bulgaria out of the crisis, "which it was pushed into by the Mafia, Free Masons, and regular criminals." Next to the program, perhaps as a stimulating factor in the bitter struggle, there is a calendar with Stalin's picture and the logo: "Our cause is just, we will win."

Bulgaria: Balkan Air 'Inevitable Bankruptcy' Forecast

AU0108083696 Sofia KONTINENT in Bulgarian 26 Jul 96 p 10

[Commentary by Rositsa Milusheva: "Balkan Air Bankruptcy Deception"]

[FBIS Translated Text] It is clear that the Balkan Air Company is heading toward inevitable bankruptcy. The national carrier will inevitably collapse through the negligence of six cabinets. Now a plan is being conceived to effect Balkan Air's bankruptcy through a deception, namely, to allow the other national carrier—Khemus Air—to swallow Balkan Air.

Actually, it is still unclear whether Khemus Air itself is a profitable company and whether it would be able to carry on its back the virtually bankrupted Balkan Air. Another question is whether Khemus Air would not collapse under Balkan Air's weight.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Slovakia: Unequal Standard for NATO Enlargement Viewed

AU3107141296 Bratislava SLOVENSKA REPUBLIKA in Slovak 31 Jul 96 p 5

[Article by Rudolf Audy: "Slovenia in Germany's Magnetic Field"]

[FBIS Translated Text] The U.S. Congress passed a bill recently on facilitating NATO enlargement. Compared with the version that the House of Representatives approved last week, Slovenia has now also been added to Poland, Hungary, and the Czech Republic. According to the influential Brussels bulletin NOUVELLES ATLANTIQUES, Slovenia has better prerequisites for admission into NATO than Slovakia. However, let us take a closer look. Hungary—whose membership is, apparently, indubitable—does not have a common border with any NATO member country, which would impede its cooperation with the Alliance. Therefore it is, allegedly, considering the concurrent admission of Slovakia, through which Hungary would be linked to Poland and the Czech Republic, or of Slovenia, which borders on Italy.

"In assessing the fulfillment of the basic criteria essential for admission, well-informed sources claim that Slovenia has, since gaining its independence, made excellent progress and will probably be the first to be taken into consideration," says the bulletin. According to these same sources, the fact that Ljubljana is currently establishing a new army, which will facilitate its adaptation to NATO structures and methods, also speaks in its favor. It has a training center for mountain units, which functions well, and, at the moment, the U.S. Army is making very effective use of it. Slovenia, which has already signed an association agreement with the European Union, was recently accepted into its defense structure, the Western European Union, as an affiliated member.

So, Slovenia is an ideal example of a state that—of the old or new states from the whole series of former USSR satellites—has been incorporated a priori into the first grouping of countries that, in the great steeplechase, will be placed in the European Union or NATO. Among the states of the Soviet Union's former satellites, there are other countries—despite the fact that they have a developing and promising economy and good economic results and a democratic and pluralist system—about which the West's representatives constantly harbor doubts concerning their ability to join the EU and NATO at all or, if this is possible, then only at a later date. It is necessary to state in this context that, in the game about admission into NATO or the EU, the issue does not so much involve the economic or political criteria of a so-called standard democracy or an appropriate measure of servility from leading politicians toward the United States and the West, but, in particular, the old or old-new geopolitical divisions of spheres of interest and dividing lines for Europe and the whole world from the point of view of the powers. One very important and symptomatic fact concerning the dramatic circumstances surrounding Slovenia's acquisition of independence from the Federal Republic of Yugoslavia can be cited in connection with Slovenia as confirmation of these facts. It concerns 23 December 1991, when Germany surprised and even offended its European Union partners by negotiating with Slovenia and Croatia separately and by recognizing their sovereignty first and ahead of schedule. The other EU member states then followed Germany and recognized the independence of the two former Yugoslav states on 19 January 1992.

With a glance at a map and the old or old-new geopolitical dividing lines, it must be clear to every expert that, following the collapse of communism, Slovenia and Croatia have found themselves in the sphere of interest and influence of the unified Germany, which is the true and real reason why—along with Poland, Hungary, and the Czech Republic—Slovenia is among the first and "most trustworthy" states with regard to admission into the EU or NATO. From this point of view also, Slovakia and its politicians should matter-of-factly and realistically—with knowledge of the facts—assess the various attacks, demarches, recommendations, or well-intended advice from various Euro-bureaucrats or commissioners concerning developments in our country. Dividing lines, power-wielding spheres of influence and interest, or various political, economic, and intellectual groupings have somehow always divided the world and are dividing it even today and the world's politicians are, accordingly, applying an unequal standard, whether this is with regard to Hungary, Slovakia, Slovenia, or the Czech Republic.

Slovakia: Daily: U.S. 'Supports' Slovak Stand on Autonomy

AU3107131196 Bratislava NARODNA OBRODA in Slovak 31 Jul 96 p 9

[Commentary by Ivan Horsky: "The United States Indirectly Supports Slovakia"]

[FBIS Translated Text] U.S. State Department Spokesman Nicholas Burns has again confirmed that the Clinton administration does not support the creation of ethnic autonomies anywhere in the world. This has been the United States' policy of principle since World War I and, unlike its other policies, it has not changed.

The State Department's position is a clear signal for all central, southern, and eastern European states that the leading NATO and Western power is not interested in nationalistic tensions or irredentism escalating in this part of the world. It bides strictly by the letter of the Helsinki Final Act, which has remained the foundation of the policy of stability on the European continent, despite the severe blows delivered to this security system after the fall of communism.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

This obvious indication of indirect U.S. support should not remain unheeded in Slovakia or without proper political evaluation—not only within the ranks of the Slovak ruling and opposition parties but, first and foremost, among the Hungarian minority, whose radical representatives have a tendency to needlessly escalate demands, under the influence of some exile revisionist forces, and, thereby, also to heighten tension in the region.

However, as long as Meciar's cabinet—and, in particular, nationalistic forces from the present government coalition—will continue to use the minorities problem as an instrument and will mold it into its present shape by rejecting dialogue and the justified demands of all minorities, no reconciliation will take place in this sphere. From the short-term viewpoint, this may help strengthen power and divide society, but, from the strategic viewpoint, it is not exactly the best choice. Not just for the citizens of the state, regardless of whether they are members of the majority nation or of a minority, but, first and foremost, for the entire state.

Internal and foreign policies form an indivisible whole, which is even more true of small countries such as Slovakia.

Burns' statement is like a hand extended to Bratislava and Bucharest and a concealed warning to Budapest not to overstrain the string of patience. At the same time, however, it is a call to start solving genuine problems by political means and to separate them from pseudoproblems and from above-standard demands that go beyond the constitutional framework.

The sooner both sides realize this, the sooner they will start acting accordingly, the better for them but also for the neighboring countries and for Europe as a whole. In the not-so-distant past, Europe had to ask twice for direct U.S. military intervention to liquidate the threat of militarism and extreme nationalism, which, through the fault of irresponsible leaders, have always been the cause of wars, whether global or local.

Slovakia: HZDS Drafts Coalition Agreement Supplement

AU3107132096 Bratislava PRAVDA in Slovak 31 Jul 96 p 1

[Report by Nora Sliskova: "Medication Against Crises Is Ready"]

[FBIS Translated Text] The supplement to the coalition agreement that is designed to eliminate the emergence of crisis situations in relations between the Movement for a Democratic Slovakia [HZDS], Slovak National Party [SNS], and Association of Workers of Slovakia [ZRS] has been drafted. In an interview granted to PRAVDA yesterday, HZDS Secretary Gurtav Krajci said that the draft of this document had been prepared by the HZDS and is currently being assessed by its coalition partners. Its final shape should be incorporated into the coalition agreement prior to the September meeting of parliament.

Krajci did not specify the supplement's contents. He only said that, in addition to provisions concerning cooperation among clubs of deputies on the parliamentary ground, it also contains a mechanism preventing instances of violation of the coalition agreement, such as occurred during the coalition crisis in June. Krajci told PRAVDA, furthermore, that, besides coalition meetings with the SNS and ZRS, the HZDS is also currently holding talks with the Party of the Democratic Left [SDL]. According to Krajci's, these talks are the continuation of the ruling movement's negotiations with opposition parties that the HZDS started during the coalition crisis in June. Krajci added that, after the end of the vacation period, such meetings ought to be held, in addition to other parties, also with the Christian Democratic Movement and the Hungarian Coalition. The HZDS eliminated from the second round of these talks only the Democratic Union, which, according to the ruling movement, set unrealizable conditions.

Slovakia: Hungarian Ethnic Autonomy Demands Voiced

LD3107194996 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1600 GMT 31 Jul 96

[FBIS Translated Text] Jozef Sestak, state secretary at the Ministry of Foreign Affairs, received in Bratislava today Pal Benyo [name as heard], the charge d'affaires of the Hungarian Embassy, in connection with the end of his diplomatic mission. On this occasion, he handed over a memorandum on the resolution adopted by the participants in the conference "Hungary and Hungarians Beyond the Borders." He expressed dissatisfaction with Hungary's explanation of the resolution and pointed out that it had failed to dispel our country's serious concern about the Hungarian Government's goals and intentions to support the autonomy efforts of the ethnic Hungarian minority.

Jozef Sestak said that in the interests of strengthening trust and stability in the region, the Hungarian Government should publicly distance itself from supporting territorial autonomy on an ethnic basis. He also told his Hungarian guest that the Ministry of Foreign Affairs would analyze in detail the Hungarian reply and would take an official stand on it in the next few days.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Hungary: Kovacs Regrets Slovak Dissatisfaction Over Answers

AU0108124296 Budapest NEPSZABADSAG in Hungarian 1 Aug 96 p 3

[Correspondent's report: "Kovacs: 'We Are Ready for Dialogue'"]

[FBIS Translated Text] Laszlo Kovacs regrets that the initial Slovak reaction expressed dissatisfaction with the Hungarian answers forwarded to Bratislava. Laszlo Kovacs expressed his hope that the Slovak concerns will dissipate after they study the answers thoroughly, concerns which, in his view, are unfounded.

The memorandum in question points out that the decision adopted at the Hungarian-Hungarian summit held in Budapest does not mean a change in the Hungarian Government's foreign policy program. It is in harmony with Hungary's international obligations, including the Hungarian-Slovak Basic Treaty. Laszlo Kovacs does not think that the Hungarian Government should distance itself from the idea of "territorial autonomy on ethnic bases." He said that the Hungarian Government has never supported any ethnic territorial autonomy demands, and there are no such demands in the aforementioned statement either.

According to Laszlo Kovacs, the statement does not threaten this region's stability; instead, it stresses that Hungary regards the euro-atlantic integration of the countries in this region as its own interest too. Laszlo Kovacs declared that, in order to dissipate the Slovak concerns that the Hungarian side already denied, Budapest is ready for further dialogue. Laszlo Kovacs pointed out that Hungary continues to be interested in broadening bilateral relations. Therefore, Hungary keeps on the agenda the meetings between prime ministers, parliament chairmen, and foreign ministers, and urges the fulfillment of several projects of common interest.

Hungary: Keleti Responds to FIDESZ Army Proposals

AU3107130296 Budapest NEPSZABADSAG in Hungarian 31 Jul 96 pp 1, 4

[Report by Peter Matyuc: "The Military Reform Will Continue—Defense Minister Gyorgy Keleti Promises"]

[FBIS Translated Text] I agree with Bela Gyuricza [parliamentary deputy of Federation of Young Democrats-Hungarian Civic Party—FIDESZ] that we should come to a consensus on further steps for military reform with seven-party coordination, but I would like to make it very clear that the 1995 parliamentary decision on the reform of the military force is still in force, therefore, the Army's reorganization has to be continued even at the cost of closing down some units, Defense Minister Gyorgy Keleti told NEPSZABADSAG on 30 July. Keleti spoke in connection with Gyuricza's interview published in NEPSZABADSAG's 29 July issue.

Keleti said that he himself had already indicated to the Parliamentary Defense Committee that the contents of the 1995 decision should be reviewed because the Army's situation has changed since the voting last year. Due to the forint devaluation launched last year, the Army's ability to spend U.S. dollars is constantly being cut, Keleti noted. We learned after the energy price rises that the Army has to pay for this itself, without any compensation, he continued.

From other points of view, the Army's situation is better because one of Hungary's serious security policy threats has ceased to exist: The Dayton agreement was signed, closing the Balkans war. Keleti also called the presence of the IFOR troops in Hungary positive, and that Hungary will probably learn the exact date of NATO admission next year.

In connection with this, Keleti noted that admission can be harmed considerably if the opposition parties depict the Army in gloomier colors than what has been experienced by western experts in Hungary. Talking about the 1996 budget, Keleti said the Defense Ministry's experts, bearing in mind the Finance Ministry's guidelines, are drawing up proposals on financing the Army's special tasks.

We mentioned that in his interview Gyuricza said that discipline in the Army was bad and this seems to be confirmed by a recent analytical article in MAGYAR HONVED [Hungarian soldier] which said that an increasing number of fraud cases are coming to light and the threads often lead to officers and warrant officers.

Parallel with the reform of the military force, a process of creating a kind of order in the Army has also been started, Keleti said. In connection with this, even cases which have been going on for years have come to light. Fuel theft and corrupt practices with items of clothing were also discovered in Tata, for example, where this kind of trading has been practiced for years. I am much more concerned, Keleti continued, about the fate of the two machine guns that have disappeared from the Tata barracks and about whose whereabouts we still have no information.

In the aforementioned cases—as is also shown by the investigations of the Army's special services—the responsibility of certain officers and regular warrant officers can be identified in failing to carry out certain checkups or doing them carelessly. It is no wonder that these thefts are only coming to light now because, due

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to the reform of the military force, units are being closed down and they have to account for everything, down to the last screw. This way, crimes and offenses committed years ago are now being discovered, Keleti said.

Hungary: Army Forced To Close Firing Ranges

AU3107123696 Budapest NEPSZAVA in Hungarian 31 Jul 96 p 3

[Correspondent's report: "Targeted Army Firing Ranges"]

[FBIS Translated Text] Under repeated constraint, the Hungarian Army will have to part with almost half of their 100 shooting ranges and training bases. The relevant proposal has already been worked out, and a final decision is expected by the end of 1997. One of the reasons for this reduction is that, while 400 million forints [Ft] were allocated for the operation of these facilities in 1990, given the changes in value this sum is today worth only 8 percent of the original figure. On the other hand, the security zones of these firing ranges have become privately owned in the wake of compensations.

The Hungarian Army operates some 100 firing ranges and training fields with a total area of some 100,000 hectares. The army will soon part with a considerable part of this property. There are two reasons behind this forced step of eliminating half of the soldiers' "loud practice," although one has to shoot and exercise nevertheless, we were told by Lieutenant Colonel Ferenc Barki, head of the army's Training Protection Institute.

One of the reasons is the deterioration in the army's financial conditions. The other reason is the situation of the security zones of the firing ranges, where many civilians are engaged in building activities, which has actually forced the soldiers out in many places. The security fields have now become part of the compensation fund, and have thus become private forests and grazing fields. Barki told us that daily conflicts are caused because the new land owners are exempted from the ban on investments in the vicinity of firing ranges and exercise fields, and they then demand the closing of the training bases. According to Ferenc Barki, this is not a new phenomenon: The firing range at Budaors was closed 15 years ago because the population had built weekend houses in the area with local council authorization. This is what happened in Pakozd, too, so closing the exercise field there has also been under consideration. Ferenc Barki mentioned that there is hardly any firing range in Hungary without such a problem.

Before 1990 we had to negotiate with an agricultural cooperative or forestry cooperative. Today we have to negotiate with 50-100 neighbors in some areas. All of them mention their rights now, although obviously their attention has been drawn to the consequences of having army fields in the vicinity of their lands. There have been no court proceedings yet, but the army was forced to limit the range of firing exercises for security reasons. Under pressure from environmentalists, the army evacuated the whole training complex in Orgovany, a complex that operated on the territory of the Kiskunsag National Park. The army also has to close down training facility at Rez, a facility for complex military exercises, because the forest there has now become private property.

The army base in Rez is currently being demolished, with some 200 kilometers of land cables being closed and the internal installations removed and shipped away. Ferenc Barki pointed out that closing down training fields is very expensive, too, although not one of the new owners is ready to engage in agricultural replanting. The firing range near Abasar, a range "dismantled" two months ago, has been offered for sale together with the adjacent buildings. Asked who would get the money, the official said he did not know. One thing is certain: Dismantling the Abasar firing range cost the army Ft1.5 million, without replanting and ammunition cleaning. He added that many of our firing ranges, like those in Tatarszentgyorgy and Varpalota, have been military training fields for ages, and are dangerous because of hidden explosives.

According to Ferenc Berki the closing of the firing ranges is alarming, because with the reduction in available training time, the use of firing ranges and sometimes the transportation needs for soldiers will increase considerably. For example, soldiers in Eger will go to Csorna for training instead of Abasar. In other words, men and material will be transported 200 kilometers instead of 60. All this is also a cost-increasing factor.

There is a similar situation with the closing of Taborfalva: Soldiers and material will have to "jump" from Debrecen to Varpalota. "Unfortunately, the budget does not take all this into consideration, although it is the new conscripts' civil right to be provided with decent training," Ferenc Berki pointed out.

Hungary: MSZP Plans To Amend Media Law

AU3107132396 Budapest NEPSZABADSAG in Hungarian 31 Jul 96 p 4

[Report by "V.Gy.:" "The MSZP Is Planning To Suspend the Media Bodies"]

[FBIS Translated Text] According to our information, the draft law amendment which was sent to members of the Hungarian Socialist Party's [MSZP] parliamentary

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

group this month talks about suspending the executive committee members of the media boards of trustees and introducing new rules in running the boards.

In recent weeks, especially because of the complications surrounding the election of the television chairman, the Socialists' intention to amend the Media Law at the autumn parliamentary session has become increasingly stronger. According to our information, it is among the proposals sent for assessment that, in the executive committee of the boards of trustees, the vote of the chairman—delegated by the coalition—should decide in case of a tie. According to the draft, the commission of the executive committee would cease to exist if no suggestion is made with two-thirds majority on the chairman of the program broadcaster after two attempts. If the draft is accepted, the Socialists would support the government's law amendment proposal that, when the Hungarian Radio and Hungarian Television are converted, the state should withhold an appropriate portion of their assets in exchange for their debts to the state (for example, the broadcasting fee arrears owed to the Antenna Hungaria company).

According to the draft amendment, the executive committees of the media boards of trustees have to be suspended, and Parliament should decide on their confirmation or the appointment of a new board when the Media Law is amended. It is indicated that the latter would be needed in the case of the Hungarian Television's board.

Hungary: Government Denies Plans To Nationalize Media

LD3107190496 Budapest Kossuth Radio Network in Hungarian 1500 GMT 31 Jul 96

[FBIS Translated Excerpt] Gyoergy Giczy, chairman of the Christian Democratic People's Party [KDNP], claims that the government wants to control radio and television and questions the independence of the public foundation board of trustees and the national radio and television body by amending the media law.

According to Gyoergy Giczy, the cabinet declared a nationalization program resembling the Rakosi-Geroe era [dictatorship leading to 1956 revolution] on the pretext of amending the budget.

The law on radio and television can only be amended by seven-party consensus, KDNP parliamentary deputy Attila Zsigmond said. The deputy chairman of the Cultural Committee cannot even imagine the opposition voting in favor of the law, which requires a two-thirds majority, at the initiative of the ruling government party [Hungarian Socialist Party, HSP], which has 54 percent of the seats. [passage omitted]

Laszlo Keller, HSP, deputy chairman of the Budget Committee, denied that the HSP parliamentary group would initiate the suspension of media bodies. [passage omitted] Laszlo Keller told the Hungarian news agency that the amendment proposal concerning the financing of the media, among other things, proposed by the Budget Committee, would not question the existence and operation of the radio and television board of trustees.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

B-H: Iran Says Relations With Bosnia Not U.S. 'Concern'

AU3107191296 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 Jul 96

[FBIS Translated Text] In light of the statement by the State Department Spokesman Nicholas Burns that Bosnia-Herzegovina does not need Iranian aid, the Embassy of the Islamic Republic of Iran in our country issued the following statement for the public:

The relations of Bosnia-Herzegovina with another country are not the concern of the United States or any other, third country. The question of Iranian-Bosnian relations does not exceed this framework and it is not up to the United States to either approve or reject it. The destruction in this country created with the tacit approval of some countries is so vast that everybody's help is required to improve the situation to a degree. If the United States wishes to help it should go ahead, however, it should not seek unsubstantiated excuses. Bosnia's is nobody's colony to have anything dictated to it.

The policy of humanity of the Islamic Republic of Iran has been implemented and proven in practice rather then in words over the past four years. It has always been our desire to halt the aggression and the merciless genocide in Europe. The Bosnia-Herzegovina people have not forgotten that the suffering of Srebrenica and Zepa occurred in 1995. All those who knew but kept quiet were accomplices. Let these people judge which countries (?favored) war and which favored peace and support for those against whom the aggression was directed. It appears that the people of Bosnia-Herzegovina have grown tired of the constantly repetative propaganda. Hostile statements definitely do not signal the reconstruction of this country. Its people are waiting for concrete steps, the Iranian Embassy states.

B-H: Muratovic Emphasizes Any 'Sincere' Aid Welcome

AU3107164996 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 31 Jul 96

[FBIS Translated Text] Our country's delegation, headed by the Republican Prime Minister Hasan Muratovic in Geneva today attended the ministerial meeting of the Contact Group of the group of Islamic countries for Bosnia-Herzegovina. Prime Minister Muratovic reacted to yesterday's statement by State Department Spokesman Nicholas Burns, who had said that Bosnia-Herzegovina did not require Iran's aid.

I would like the invalids who are protesting outside Skenderija to reply to Mr. Burns, those who are waiting for [word indistinct] provides them with doors and windows for the coming winter, or hundreds of thousands of those who are waiting for any sort of a job, the prime minister said.

He emphasized that Bosnia-Herzegovina needed the aid of anyone who was sincere and without additional conditions, especially because of the vast scale of destruction; Bosnia-Herzegovina cannot resolve its accumulated problems with one country alone.

The world today has no bigger obligation for international solidarity than the aid for the economic and social recovery of Bosnia, Prime Minister Muratovic added. However, the latest information proves that there is quite a discrepancy between promised and realized reconstruction aid for Bosnia-Herzegovina. According to Muratovic, only 10 percent of aid promised for this year has been realized so far, while 20 percent are in the stage of their realization.

B-H: Tuzla War Invalids Receive Benefits, End Demonstrations

AU3107200196 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 Jul 96

[FBIS Translated Text] Several hundred war invalids and members of the families of fallen soldiers demonstrated in Tuzla today. Dissatisfied with the slow pace at which their demands are being dealt with, the protesters blocked traffic in this town. The demonstrations ended a few minutes before the evening newscast. Here is a report by our correspondent, Enes Osmancevic:

[Begin recording] War invalids and members of the families of fallen soldiers from Tuzla, and to a somewhat lesser extent also from the nearby villages, demonstrated their dissatisfaction today. Shortly after 1100 [0900 GMT], they blocked all key roads in Tuzla and, a little later, also the access roads to the town. The main reason for today's demonstrations lay in that the demands voiced at the gathering in Sarajevo last week were not met, Sead Arifovic, secretary of the cantonal alliance of war invalids, told us. He said further that today's gathering was [words indistinct] the news from Sarajevo that the money for the payment of the disability benefits had not arrived. To recap, this was one of the main demands voiced at the demonstrations in our capital last week.

Although the dissatisfied members of the Alliance of War Invalids and the Families of Fallen Soldiers were informed in the course of the day that the money had, nevertheless, been secured, they refused to disperse. Only in the late afternoon were the preconditions for the redistribution and payment of money, that is, the disability benefits to the war invalids and members of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the families of fallen soldiers, met. The payment started a little later in two localities in Tuzla, Ismet Osmanovic, secretary of the Tuzla-Podrinje cantonal government, told us. [passage omitted]

The demonstrators dispersed only a couple of minutes before we sent this dispatch.

Today's gathering of the war invalids and the families of fallen soldiers is another warning that more attention should be devoted to this sizable social group, especially because they themselves do not favor this way of venting their dissatisfaction but [word indistinct] solution. This should be the fundamental goal and the pattern of behavior for all of us.

B-H: IPTF Demands Resignations of Police Threatening UN

AU3007151496 Paris AFP in English 1458 GMT 30 Jul 96

[FBIS Transcribed Text] Sarajevo, July 30 (AFP)—Senior cops in Bosnia's Moslem-Croat Federation who threatened to kill UN policemen and kidnapped a Moslem police chief have to resign, a UN official said Tuesday. UN spokesman Alexander Ivanko said the chief commissioner of the UN International police force (IPTF) had written to the Federation's Minister of Interior demanding that the men, two Moslems and a Croat, leave their posts. Ivanko described the behaviour of the three officers as "outrageous" and vowed to get tough on any police officers that blocked the work of the IPTF. "It's no more Mr. Nice Guy with police chiefs that obstruct the work of the IPTF. We feel it is time now for (us) to shift into aggressive gear when dealing with (this matter)," Ivanko said. The spokesman said the two Moslem officers based in Bugojno, central Bosnia, had threatened to "arrest, kidnap and shoot" IPTF policemen who had tried to stop them evicting a Croat family from their home.

The Croat official, Vjelkoslav Cutura, is head of the police in Croat-held west Mostar. Earlier this month, Ivanko said, he was responsible for the kidnapping of a senior Moslem policeman who had attended a meeting at the invitation of the United Nations. Ivanko said letters sent to the Federation interior minister, a Moslem, warned that "failure to take swift action against those responsible will undermine the credibility of the...Federation."

The IPTF has some 1,600 officers in Bosnia with a mandate to train and monitor local police forces. Ivanko said both in the Federation and the Bosnian Serb half of the country there were far too many police, many of them untrained and not professionals.

B-H: Ganic Wants 'Dissolution' of 'Illegal' Herzeg-Bosnia

AU3107133996 Paris AFP in English 1304 GMT 31 Jul 96

[By Sonia Bakaric]

[FBIS Transcribed Excerpt] Zagreb, July 31 (AFP)—Croatia looked set Wednesday to announce the abolition of the separatist mini-state run by Bosnian Croats in southern Bosnia in violation of the Dayton peace accord, after a tense meeting here.

The Croatian presidential council met at midday Wednesday with top Bosnian Croats and was "dealing with the abolition of Herzeg-Bosnia," a Croat source said. The source, who asked not to be named, declined to elaborate. [passage omitted]

The involvement of US diplomats in the talks appeared significant. US ambassador to Croatia Peter Galbraith, speaking to reporters after the meeting with the Croatian officials said the United States had decided the Croat mini-state should be wound up. "Herzeg-Bosnia has to be dissolved," he said, adding that Croats in Mostar had also to end their boycott of the city council.

In Geneva, Bosnian Prime Minister Hasan Muratovic told a meeting of the Organisation of Islamic Conference that Herzeg-Bosnia had to be abolished. Without the full integration of Moslem and Croat authorities into one federation, "the integrity and sovereignty of the state of Bosnia-Herzegovina is endangered," Muratovic said. This could not be achieved without "constructive and forthright cooperation of the Republic of Croatia," he said.

[Bosnian Federation Vice President Ejup] Ganic said later the results of his visit to Zagreb were likely to become clear "in the next five to six days." Tudjman had "not promised to agree to the dissolution of Herzeg-Bosnia but we will see in the next five to six days," he said.

Ganic said Herzeg-Bosnia was an "illegal entity which threatens the stability of the region and the Dayton peace accord." Tudjman had "taken part in creating it (Herzeg-Bosnia). Now he should take part in abolishing it," he added.

In a brief statement, the Croatian presidency said Tudjman was determined to "play a constructive role" in the normalisation of the situation in Bosnia but said that it would not accept Croats being blamed for problems in the country.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

B-H: Ganic Proposes Herzeg-Bosnia's 'Integration' Into Federation

AU3107191896 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 31 Jul 96

[FBIS Translated Text] Ejup Ganic, member of the republican presidency and Federation vice president, met with Croatian President Franjo Tudjman in Zagreb today. The talks were attended by Croatian Government Ministers Mate Granic and Gojko Susak and Federation President Kresimir Zubak. The meeting was also attended by Michael Steiner, deputy international mediator for Bosnia-Herzegovina, U.S. Ambassadors to Bosnia-Herzegovina and Croatia John Menzies and Peter Galbraith respectively, and Bosnia-Herzegovina Ambassador to Zagreb Kasim Trnka. The talks were followed by (?Raska Venolic), correspondent of Bosnia-Herzegovina Radio and Television:

[Begin recording] [Venolic] As the anticipated statements about the contents of the one-hour talks did not materialize in the presidential residence, the correspondents were briefed by Dr. Ejup Ganic and Messrs. Michael Steiner and Peter Galbraith at the separate news conferences in the Bosnia-Herzegovina Embassy in Croatia.

[Ganic] I sought the dissolution of Herzeg-Bosnia. I brought a concrete proposal with me, a proposal as to how to achieve this quickly and effectively. This proposal boils down to the services and the offices of the so-called Herzeg-Bosnia being absorbed by the Federation's ministries and the Federation government being the sole government on the Federation's territory, pursuant to its powers. I handed this project, this proposal, to President Tudjman. I reminded him that we (?fulfilled) all obligations in accordance with the Dayton accord, but that Herzeg-Bosnia's continued existence was endangering the Dayton accord and the peace in the region and created unnatural relations between the Bosniaks and the Croats, which are, in principle, good, friendly, and have prospects.

[Venolic] Dr. Ganic said:

[Ganic] We propose that the offices of this Herzeg-Bosnia be automatically adjoined to the Federation. We do not plan to sack anyone or cut down on staff. These services should simply turn into the services of the Federation; the courts would become the Federation courts; and public enterprises would become the Federation's public enterprises, therefore, we propose integration.

[Venolic] Dr. Tudjman, Ganic said, did not promise to accept the proposal. Tudjman's assistance was sought because, as Ganic emphasized, he took part in the creation of this administrative arrangement and this was, hence, also expected of him on the occasion of its dissolution.

Mr. Zubak, Ganic said, on this occasion, played on the team of Dr. Tudjman.

Michael Steiner said he discussed the resolution of the Mostar problem after the elections on the basis of legality with the Croatian officials. Emphasizing that this was the position of all relevant international factors, he said his impression was that the Croatian Government was willing to uphold the proposal that he brought over, that is, that the authorities be set up on the basis of the electoral results that, as he said, were endorsed by the conclusions of all competent authorities, until the incumbent court rules on the appeal by one side.

U.S. Ambassador to Croatia Peter Galbraith was also adamant. The results of the Mostar elections, he said, must be honored, otherwise very serious consequences could ensue, Galbraith said.

Federation President Kresimir Zubak also traveled together with the delegation that returned from Zagreb to Sarajevo this afternoon. Mr. Zubak declined to make a statement on today's meeting in Zagreb for Bosnia-Herzegovina Television. [end recording]

B-H: Bosnian Croat Leaders Agree 'To Disband' Herzeg-Bosnia

LD3107213696 Belgrade TANJUG in English 2057 GMT 31 Jul 96

[FBIS Transcribed Text] Belgrade, Jul 31 (TANJUG)—Bosnian Croat leaders agreed on Wednesday to disband the institutions of the "Republic of Herzeg-Bosnia," whose existence is a threat to the Muslim-Croat Federation and peace in Bosnia.

The "republic," proclaimed by Croats in 1992, would be transformed into a "political community of Croat people," said a statement issued after their talks with Croatian President Franjo Tudjman.

The Croatian Council of Defense and National Security met earlier in the day after talks between Tudjman and Federation Vice President Ejup Ganic and Deputy High Representative Michael Steiner.

The pressure on Zagreb and Bosnian Croats follow the latter's rejection of local elections in Mostar, a city divided between Muslims and Croats, and a threat by the European Union that it would end its two-year administration of the city.

Relations between the federal partners in the paper federation, created in 1994 at the insistence of Washington,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

have been causing much anxiety for the future of the Dayton Peace Accords.

B-H: Muslims Abandon Renovation Work on Houses in Stolac

LD3107193496 Mostar Radio-Televizija Mostar Radio in Serbo-Croatian 1400 GMT 31 Jul 96

[FBIS Translated Text] The renovation of Bosniak houses in Stolac [Croat-dominated town in southern Bosnia-Herzegovina], as part of the pilot project for the return of 100 Bosniak families to this town, has been suspended due to the burning down of renovated houses in full view of the Bosniaks and Croat police.

In the presidency of Stolac municipality, which is currently resident in Mostar, we have learned from its president, Mehmed Dizdar, that, at a meeting with UNHCR representatives held two days ago in Mostar, there was discussion of whether the renovation work on houses there would continue.

The Bosniaks were offered conditions, as at the very beginning, Mr. Dizdar said: the nonexistence of freedom of movement, and a security system controlled by Croat police, Implementation Force, and the UNHCR, the mandates of which are limited in this area.

The Bosniak representatives decided not to resume their visits to Stolac and renovation work on houses there because, they say, what is the point of beginning the same things, under the same conditions, and again suffer humiliation and terrorism at the hands of the Croat authorities, Mr. Dizdar said in a statement to this station.

B-H: Croat Mostar Mayor Views 'Violations' of Dayton Accord

AU3007183496 Zagreb VECERNJI LIST in Serbo-Croatian 28 Jul 96 p 5

[Interview with Mijo Brajkovic, mayor of western Mostar, by Milan Sutalo; place and date not given: "The Muslims Have Violated Dayton Four Times"]

[FBIS Translated Text] The refusal of the Croat side to participate in the constitution of the Mostar Municipal Assembly and to give its consent for the continuation of the EU presence in Mostar has met with a lack of understanding and intentional or accidental misinterpretations of the reasons for such Croat behavior. Mijo Brajkovic, mayor of western Mostar and leader of the HDZ [Croatian Democratic Union] Bosnia-Herzegovina election list in the last Mostar elections, explains why the Croat side has decided to take such moves.

[Brajkovic] The people here can survive if we respect the Dayton agreement and if we do not allow this agreement to be violated. That is precisely what has been going on in Mostar. The Muslim side has violated the Dayton agreement four times, and it has always happened with the blessing of the EU and at the expense of the Croats. And can you imagine such an absurdity: It was always Croatia's fault. First of all, according to the Dayton agreement, the statute of the town of Mostar was to be adopted on 31 December 1995. It was not adopted by then, and it was not our fault. Then, accompanied by terrible pressure put on the Croats, a central district in the town was introduced, about which there was nothing in the Dayton agreement. The elections, according to the agreement, were to take place by 31 May but, after pressure was applied to us, we agreed that they were to be held a month later. On the fourth occasion, the agreement was violated and a precedent in the democratic world was established when the election rules were altered and voting for the local bodies of authority was allowed to be held abroad.

[Sutalo] What irregularities did you notice in those elections?

[Brajkovic] The laws were violated on two occasions. First when, upon the expiry of the time limit envisaged for the applications of the parties, one more list was accepted—we call it the Yugoslav list—which wanted to break the Croat body in Mostar. The second occasion was when the stuffing of the ballot box in Bonn was accepted. And the election law clearly says: If there are more voting papers than voters in one election unit, then the elections are annulled in that unit, a new electoral commission is formed, and the elections are repeated. Just imagine, the municipal electoral commission, headed by a Muslim, went by the law and annulled the elections, and then the EU annulled the decision of the electoral commission. But, that was not the only irregularity. In Bern, a bag with 8,000 voting slips was lost.

We could not participate in the constitution of the Municipal Assembly, not because we were dissatisfied with the election results, but because we cannot accept constant violations of the agreement and the results of voting frauds as the election results. Since the new EU mandate in Mostar is based upon an understanding that the elections were regular and the municipal authorities were established according to the Dayton agreement, we could not, naturally, give our consent to the prolongation of the EU presence in Mostar on that basis.

The Election Results Imposed by Decree

[Sutalo] How can it be possible that the list "for a unified Mostar," based upon 1,690 votes more than the HDZ list, won as many as five seats more than the HDZ and that there are 17 Bosniak representatives in the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Municipal Assembly, although the statute envisaged 16 seats for the Muslims and 16 seats for the Croats?

[Brajkovic] You see, there is that case, too. I do not know according to what election result there can be 17 Bosniaks in the Municipal Assembly if the statute of the town envisages 16 seats for the Bosniaks. Based upon what calculations can one fill all five seats reserved for "others" with people from their list, based upon 1,690 votes more? Can you not see, however, that anything is possible here?

[Sutalo] The Croat side has offered a way out of this crisis. What is the essence of that proposal?

[Brajkovic] We have said that we will give our consent for the "prolongation of the EU mandate" on condition that the municipal electoral commission announces the election results, since that commission is the only body authorized by law to do so, and that we form one joint body of authority. I repeat, however, we will not accept the imposed results of the irregular elections.

[Sutalo] Would the Croat side agree to participate in the work of the Municipal Assembly, and would it accept the new EU mandate, despite all the irregularities, if it is agreed that elections are held again in Mostar in September?

[Brajkovic] They want to lure us into that trap. We only want the laws to be respected, and there is no reason not to hold elections for the Mostar bodies of authority. Article 17 of the Dayton agreement clearly says that the mandate of the representatives elected in these elections, that is, in this transitional period, is valid only until the general elections in September.

To Whom Does the Mayor's Office Belong?

[Sutalo] The Muslim side has offered the office of mayor of Mostar to the Croat side. What is your answer to that offer?

[Brajkovic] They are in no position to offer us anything. The HDZ, individually, won the largest number of votes in the Municipal Assembly, and the mayor's office belongs to us, even if we would ignore these irregularities. You can see, however, that they want to draw us into a trap again.

[Sutalo] Does that mean that the Croat side has no intention of giving way?

[Brajkovic] You are asking me directly, and I will answer indirectly: The Croat side has no intention of allowing the violation of the laws and the Dayton agreement.

The Solution Cannot Come From Brussels

[Sutalo] Some European circles think that the Croats in Mostar should be put under pressure to accept the election results, along with all these irregularities, because, if one does not do so, that could, it is claimed, have a negative reflection upon the approaching September elections?

[Brajkovic] I think precisely the opposite. If we give way now, that could have a negative reflection upon the September elections. In that case, all those who intend to use fraud and illegal actions in the approaching elections would be encouraged, and they would believe that such election results would be accepted.

[Sutalo] Some European envoys have warned that there could be chaos in Mostar, one of them has even mentioned "a deluge" if the EU leaves Mostar?

[Brajkovic] In what way is the EU preventing chaos now? How can its officials prevent it? The EU proper, with its behavior, having imposed solutions opposite to the signed agreements, has imposed such a situation. And nothing horrible will happen if they leave. We want to cooperate with the EU and with Mr. Garrod as its representative, but we will not cry if they leave.

[Box, p 5]

The Croats Have Only Mostar

[Sutalo] Why is there such a lack of understanding for the interests of the Croats in Mostar, who have only that one town in Bosnia-Herzegovina, while the Muslims have Sarajevo, Zenica, and Tuzla, and the Serbs have Banja Luka?

[Brajkovic] One can wish whatever one wants, but nobody will deprive the Croats of what belongs to them in Mostar. We, although they accuse us of that, do not want to make ghettos, and we do not want to divide the city, either—we only demand that the laws are respected and the Dayton agreement is respected, because it protects our rights and our survival in Mostar. If we did not insist on it, our survival here would be jeopardized, because the authorities in the Federation, at the level of Neretva Canton, have not been established yet. We know that the admission of Croatia into the Council of Europe is subject to totally unjust conditions because of us.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

B-H: Mostar HDZ Head Denies Crisis in Town 'Escalating'

AU3107192796 Sarajevo DNEVNI AVAZ in Serbo-Croatian 31 Jul 96 p 3

[Interview with Mile Puljic, president of the Mostar HDZ, by Faruk Cardzic; place and date not given]

[FBIS Translated Text] Following the REUTER report that "the Croats in Mostar had rejected the international community's demands to end the boycott of the newly elected town assembly," the head of Mostar's HDZ [Croatian Democratic Union] Town Committee tried to explain this decision in an interview with DNEVNI AVAZ.

[Cardzic] It appears that the crisis in Mostar is escalating. With regard to this, have you been in contact with the people who represented the List of Citizens for a United Mostar at the recent elections?

[Puljic] I would not say the crisis is escalating. There are no indications of that. The situation is normal, freedom of movement is being respected, and the mixed police patrols are working. I was surprised by Mr. Izetbegovic's statement on some kind of incident in Mostar. There will be no clashes, I am convinced of that. As you know, this is a time of neither war nor peace, and there will be many more negotiations.

New Negotiations

[Cardzic] I was referring to the political crisis.

[Puljic] We agree that the EU Administration's mandate should be extended in some form until legal experts solve the problem of elections. As regards contacts, we have not had them but will establish them very soon. We (HDZ) will be sending a proposal to the SDA [Party of Democratic Action] on the start of negotiations on the future setup of the town of Mostar and on some current differences concerning elections.

[Cardzic] But the SDA is only one of the parties in the coalition.

[Puljic] We will first send the invitation to the SDA, because it is the strongest and most influential party, and because it had the greatest number of candidates in the elections.

[Cardzic] If the Supreme Court of the Federation of Bosnia-Herzegovina confirms the decision presented in Casado's decree, will the HDZ accept the election results?

[Puljic] You see, we have appealed the ombudsman's (Constantine Zepos) decision, the only decision we have received in writing. We have still not received the decree that was passed by the EU Administration. The people from the EU Administration should have at least had the decency to send us the decree. One should bear in mind the fact that the ombudsman's decision annuls the decision of the town's electoral commission.

[Cardzic] Does that mean the HDZ will accept the decision of the Supreme Court of the Federation of Bosnia-Herzegovina, whatever the decision turns out to be?

[Puljic] It will respect it, but you must not forget that this decision refers to the ombudsman.

[Cardzic] Dragan Gasic, the EU spokesman in Mostar, has stated that the decrees are not sent but simply announced. Did you know that?

[Puljic] We have certainly had objections about the behavior of Mr. Gasic. He has recently acted as a lawyer, a spokesman, and a policeman. We had been receiving all the decrees regularly. Regarding the most recent one, no agreement says that this decree may be passed. The amendments to the provisional statute regarding decrees should have been passed first, and then the consultative council should have met. The decree should have been issued only after this body failed to reach an agreement. That has not happened.

[Cardzic] What comments do you have about the statement of Defense Minister Gojko Susak, who said the HDZ should under no circumstances accept such election results in Mostar prior to the September elections in Bosnia-Herzegovina?

[Puljic] I would not mention the HDZ in this at all. The electoral commission has said what had to be said. The electoral commission, which was headed by a Bosniak Muslim, has annulled the results of elections in Bonn.

[Cardzic] If the commission's decision had remained valid, in what way do you think the elections in Bonn could have been repeated?

[Puljic] Nothing is impossible for the European masters. They should organize elections there again.

[Cardzic] Do you think that only those who voted on 30 June should be allowed to vote in the repeated elections?

[Puljic] That is also possible, but Bonn is not the only place where there were problems.

"There Are Many Articles"

[Cardzic] Has Klaus Metcher, who was supervising the elections in Bonn, said that everything was normal there?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Puljic] According to Article 93 of the Law on Elections in Bosnia-Herzegovina, the election results can only be announced by the town's electoral commission. According to Article 77, such cases should not even be discussed. This is clear and definite. No one, not even Klaus Metcher, can assume the role of the town's electoral commission.

[Cardzic] But Article 128 of the same law states that if such a situation occurs, and if this situation does not affect the outcome of the elections, the decision on the annulment does not have to be made.

[Puljic] Yes, there are many articles. I am a technical engineer, not a lawyer. But there are many articles that refer to the elections. Article 77 does not discuss such matters. According to it, when such cases occur, the electoral commission is dismissed and the elections in these places are declared invalid.

[Box, p 3]

Statement "Does Not Lead to Anything Good"

"I must say that the statement by Mr. Steiner has surprised us completely. He is linking every lack of cooperation on the part of the Croats from the western part of town to some kind of Mafia and unrest. Unrest exists in the western part of the town as mush as it exists in all other towns. I think Mr. Steiner's statement is inappropriate and does not lead to anything good," said HDZ head Mile Puljic.

B-H: Many Officers Appear on Election Lists

AU2807152596 Sarajevo OSLOBODJENJE in Serbo-Croatian 20-21 Jul 96 p 10

[Article by Djuro Kozar: "Out of Uniforms, Into the Assembly"]

[FBIS Translated Text] Ever since politics has existed, generals have taken part in it. Regardless of whether they are active or retired, they gladly take part in civilian authority. Just remember Eisenhower and De Gaulle, or the younger ones, al-Qadhdhafi and Lebed.

And what is the situation like here? The shortest answer could be expressed in only one sentence: "The same as elsewhere."

Alagic in Civilian Clothes

Already during the war, a large number of our officers from the Bosnia-Herzegovina Army joined the Party of Democratic Action [SDA], and some of them were chosen for its organs. When Division General Atif Dudakovic [commander of 5th Corps] and Brigade Gen. Mehmed Alagic [former commander of 7th Corps] joined the SDA, that provoked different reactions in the public—from approval to serious criticism. A number of the chroniclers warned them to make up their minds: Do they want to be generals or politicians? Because of such reactions, Gen. Alagic soon left the Army and became the mayor of Sanski Most municipality.

Several other colleagues of Alagic are about to face the same dilemma, since there are several generals and other officers of the Bosnia-Herzegovina Army on the candidate lists of the SDA .

Among others, candidates are Gen. Dudakovic, Brigade Gen. Sakib Mahmuljin, Brigadiers Fikret Pljevljak and Ismet Hadzic, Lieutenant Mehmed Zilic, and Major Nezim Halilovic Muderis.

Some other parties also put some officers of the Bosnia-Herzegovina Army on their lists of candidates. Thus, Lt. Serif Patkovic is on the list of the Party for Bosnia-Herzegovina, the "United List for Bosnia-Herzegovina" nominated Ibrahim Mujezinovic, who was an officer of the Bosnia-Herzegovina Army until recently, and Husein Sejo Hasibovic, former commander of the Butmir Brigade, now a reserve officer.

Timely Decision

Speaking about the candidature of generals for this year's elections, the president of the Main Committee of the SDA, Halid Genjac says:

"We were aware of everything when we nominated generals. The Defense Law does not allow any engagement of professional soldiers in politics. None of the officers of the Bosnia-Herzegovina Army whom we have put on the election lists has become a professional soldier as yet, because they have not signed any contracts about that. Before that is done there will be enough time for every one of the nominated officers to make their decisions—whether they want to be in politics or in the Army; and we as a party will also make our decision. Now we are in a clear legal situation.

Genjac did not say why Gen. Dudakovic was among the candidates, but it is obvious that the SDA had in mind his huge reputation in the people and the charism which he has created as commander of the famous 5th Corps of the Bosnia-Herzegovina Army.

Every party would wish to have a general with such a high rating on its list, but he has chosen the SDA, and entered its Main Committee.

If Dudakovic is elected in the Federal Assembly, and there is a good chance for that, because he is the second on the list, right after Ejup Ganic [vice president of the Federation], Dudakovic will be in a dilemma—whether to stay or leave the Army.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

(Mis)Use of Officers

How does a politician who was once a professional soldier, Mujo Kafedzic [Muslim Bosniak Organization], see the participation of generals in politics?

"Some political parties have included generals and other higher officers on their election lists to use their huge popularity with the people," he says. "The goal is clear: Use generals to win as many votes as possible. That is absurd if one knows that political engagement of active officers is forbidden. Is it really necessary, for the sake of several thousand votes, to put, for example, Gen. Dudakovic on the election list, and thus place him in the situation of having to decide whether he should stay in the Army; and he is, in the first place, a professional soldier, since he graduated from the military academy."

To our remark that the officers who came to the Bosnia-Herzegovina Army from the former JNA [Yugoslav People's Army], were involved in politics as much as they wanted, Kafedzic adds:

"The former state was a one-party state, so the JNA was also of a one-party nature, and in such conditions the officers' engagement in politics was obligatory for them to survive. Now everything is different, and we should not allow bad things from the past to be repeated."

When our Army becomes professional and its depolitization advances, there will probably be no more dilemmas of this sort.

B-H: Bosnians in Switzerland Register for Sep Elections

AU3107200096 Paris AFP in English 1742 GMT 31 Jul 96

[FBIS Transcribed Text] Bern, July 31 (AFP)—Some 16,000 Bosnians currently living in Switzerland have asked to be registered on electoral lists for the former Yugoslav republic's first post-war general elections, a Swiss foreign ministry spokesman said Wednesday.

With a deadline for participation in the September poll set for August 5, Bosnian nationals have the choice of either voting by post or returning to Bosnia to cast their ballots.

Most of the voters are expected to opt for the former method, fearing the loss of their refugee status in Switzerland if they return to Bosnia.

Postal votes must arrive at the offices of the Swiss competent authority several days before the September 14 vote in Bosnia so they can be forwarded on to Sarajevo and counted along with the other ballots.

Bosnia's 3.2 million voters will vote for a new three-member Bosnian presidency, a national parliament, parliaments for the Moslem-Croat and Serb entities that make up the Bosnian republic, and various lower-level authorities.

Some 49 political parties and 33 independent candidates have lined up for the polls.

B-H: Hague Tribunal Accepts Serbs' Stand on Extradition

LD3107204796 Belgrade TANJUG in English 2013 GMT 31 Jul 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, July 31 (TANJUG)—(Bosnian Serb) Republika Srpska Justice Minister Marko Arsovic told TANJUG late on Wednesday that the Hague-based criminal tribunal for the former Yugoslavia had accepted Republika Srpska's stand that its citizens could not be extradited.

Speaking on the phone from The Hague, Arsovic said that tribunal representatives had had a different stand, but that they accepted the position of the Republika Srpska, whose delegation had given strong arguments on the impossibility of extradition to the tribunal.

Arsovic, who headed the Republika Srpska delegation to The Hague in the past three days, described the visit to the tribunal as very successful. Arsovic said that they had discussed possible cooperation, prosecution policy, tribunal's biasness, extradition and other issues and that the final results of the talks were "very favourable" to the Serb side.

"We have succeeded in convincing them that, according to the number of accused Serbs (54), Muslims (3) and Croats (18), the prosecution policy requested by their prosecutor had not been objective so far and that mostly Serbs were tried. They convinced us that they were preparing trials against the other two parties to the conflict," Arsovic said.

He said that a Hague tribunal delegation would visit the northwestern Bosnian Serb town of Banja Luka next week and collect evidence on crimes against Serbs. Arsovic said that this investigation would be aimed at collecting evidence against Croat and Muslim war crimes suspects.

Belgrade lawyer Igor Pantelic, who is in the Republika Srpska delegation, said that the delegation would issue a statement after returning from The Hague on Thursday.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

B-H: Serbs Reportedly Agree To Cooperate With Hague Tribunal

AU3107154196 Paris AFP in English 1526 GMT 31 Jul 96

[FBIS Transcribed Text] The Hague, July 31 (AFP)—The UN war crimes court and the Bosnian Serbs said Wednesday they had agreed to cooperate to bring all suspected war criminals regardless of their ethnic background to trial either in The Hague or in the Bosnian Serb entity.

In a joint statement released here, the International Criminal Tribunal for the former Yugoslavia (ICTY) and the Serbs declared their intention to work together to prosecute those suspected of committing atrocities in the three-and-a-half-year Bosnian conflict.

"It is essential...for the creation of a lasting peace in the region, that all perpetrators responsible for serious violations of international humanitarian law be brought to justice regardless of their ethnic or religious background," the joint statement said.

The Serbs and the court agreed to "cooperate to bring to justice all such perpetrators, both before the tribunal and the national courtys, in ab unbiased and professional manner, ensuring that all...receive a fair trial," it added.

The international community has in the past repeatedly accused the Bosnian Serbs of failing to comply with the ICTY by refusing to hand over war crimes suspects.

The statement was released after talks between ICTY officials and a Serb delegation led by the Serb entity's justice minister, Marko Arsovic (eds: correct).

During the two days of talks the Serbs also urged ICTY officials to step up investigations into cases involving Serb victims.

Of 75 suspected war criminals indicted by the UN court, more than 50 are Serbs, a numerical imbalance which has prompted widespread Serb scorn for the court in The Hague.

The Serbs urged prosecutors to investigate several mass grave sites and open a liaison office in the northeastern town of Bijeljina to facilitate further investigations.

B-H: Krajisnik, Serb Leaders Cancel Meeting With Kornblum

AU3107130396 Paris AFP in English 1244 GMT 31 Jul 96

[By Michel Carriou]

[FBIS Transcribed Text] Pale, Bosnia-Herzegovina, July 31 (AFP)—Bosnian Serb leaders Wednesday cancelled a meeting with a top US official sent to Bosnia on a mission aimed at forcing war crimes suspect Radovan Karadzic to leave his base here.

Momcilo Krajisnik, the speaker of the Bosnian Serb parliament, told reporters as he left a meeting of top Serbs here Wednesday "there will be no meeting" in Pale with US assistant secretary of state for European and Canadian affairs John Kornblum. Krajisnik refused to elaborate on the reasons for the cancellation of the meeting announced earlier by US officials in Sarajevo and Serb officials in Pale.

The top Serb, a close friend and associate of Karadzic, was accompanied here by the interim Bosnian Serb president Biljana Plavsic, the head of the ruling party, Aleksa Buha, and Bosnian Serb prime minister Gojko klijckovic.

Kornblum earlier Wednesday held talks in Sarajevo with Bosnian President Alija Izetbegovic.

US envoy Richard Holbrooke last Wednesday told a US television station that Kornblum would be attempting to force Karadzic to leave his home in Pale.

Holbrooke, Kornblum's predecessor, earlier this month succeeded in forcing Karadzic, who is wanted by the UN war crimes tribunal on genocide charges, to quit as Bosnian Serb "president" and leader of the main Bosnian Serb party.

He said however he was "not satisfied" by this and wanted Karadzic "out of Pale." However, Holbrooke side-stepped questions whether Karadzic should give himself up to the Hague-based UN-mandated war crimes tribunal, saying it was up to Kornblum to broach that subject.

Nevertheless the United States has been pressing for Karadzic, and his military commander General Ratko Mladic, to appear before the tribunal.

Klickovic said Monday that the separatist Serbs were fed up with the "permanent pressure" being brought on them and will make "no more concessions."

Quoted by the Bosnian Serb agency SRNA, he denounced the pressure by the international community which he said aimed at "reuniting the Republika Srpska with Bosnia-Herzegovina," a policy to which the Serb leadership is bitterly opposed. "The position of the present leadership is that there will be no more concessions, and that there cannot be any, since to continue to give way would cancel out the results of the Serb people's just struggle and would merge the Serb Republic into Bosnia-Herzegovina," he said.

Kornblum was due later back in Sarajevo for a meeting of top Bosnian Moslem and Croat officials to discuss troubled Moslem-Croat relations.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

A top Bosnian delegation, backed by US and international officials, held talks in Zagreb Wednesday aimed at abolishing the separatist Bosnian Croat mini-state in southern Bosnia, which under the Dayton peace treaty should have been abolished at the start of the year.

B-H: RS's Ninkovic Rejects NATO Proposal To Set Up Base

LD3107203596 Pale Srpska Televizija in Serbo-Croatian 1800 GMT 31 Jul 96

[FBIS Translated Text] Although it is not yet known how long NATO intends to stay in the former Bosnia-Herzegovina, it seems very interested in expanding its presence and [word indistinct]. One of the important areas in which it is interested is the area around Serb Brod. Construction funds have already been approved for the Implementation Force [IFOR] in this area. The reconstruction of the destroyed bridge [over the River Sava] between Bosanski Brod and Slavonski Brod [in Croatia] is under way and the existing pontoon bridge will soon be replaced by the new one. This topic was discussed in Serb Brod today by representatives of the [Bosnian] Serb Republic [RS] government and IFOR.

RS Defense Minister Milan Ninkovic, Traffic and Communications Minister Nedeljko Lajic, and representatives of Brod area civil and military authorities had talks in Serb Brod today with IFOR representatives, led by U.S. General O'Neal about IFOR plans to set up a military base for the accommodation of 1,800 multinational forces in this area.

[Begin Ninkovic recording] I said at today's meeting that IFOR had dealt with things in a reverse order. Everyone knows that it discusses things with local authorities first, thus wanting to prove that the [Bosnian Serb] state authorities—government, assembly, supreme command, general staff—do not exist. It intends to set up a NATO base in the local refinery here. I categorically rejected this today. The question of the refinery and a NATO base are matters for the state and not for the local authorities. [end recording]

Another interesting point is IFOR's attempt to set up a NATO base far away from the separation line between the RS and the Croat-Muslim federation, right next to the border between the RS and the Republic of Croatia.

[Begin Ninkovic recording] By wanting to set up a NATO base in the area, NATO's intentions are quite different. This is all linked with the September elections. [end recording]

The construction of a NATO base will be discussed again next week, when a meeting is scheduled to take place between a team of experts from the RS and IFOR in Serb Brod.

B-H: Serb Republic Parties Hold 'Consultative Meeting'

AU2707200596 Belgrade BETA in Serbo-Croatian 1656 GMT 27 Jul 96

[FBIS Translated Text] Banja Luka, 27 Jul (BETA)—The first consultative meeting of political parties of the Serb Republic (RS), which was held in Banja Luka today, was attended by acting presidents of the RS and the SDS [Serb Democratic Party], Biljana Plavsic and Aleksa Buha respectively.

Following the discussion that lasted almost four hours and mainly concerned vital national issues and the electoral campaign for September elections, a high degree of accord was achieved in some key problems.

First of all, it was agreed that in their public approaches, all parties should advocate the stand that the RS is the ethnic state of the Serb people in which the status and position of ethnic minorities is solved on the basis of reciprocity with the joint bodies of Bosnia-Herzegovina.

The term "reintegration" used by the representatives of the international community and the Bosnia-Herzegovina Federation was rejected as unfounded with the explanation that this implies the abolishment of the RS, which in turn leads to a revision of the Dayton agreement provisions.

A high degree of agreement was achieved in not accepting any proposal on postponing local elections in Brcko because, as was said, this also clashes with the adopted rules and regulations of the Transitional Electoral Commission.

Representatives of almost all political parties present supported the united stand that the appearances of political parties from the Bosnia-Herzegovina Federation at the RS elections are considered to be a "foreign body" and assessed that this is a provocative and irresponsible move by these parties' leaders.

Participants of the meeting agreed that one must no longer give in to pressures and blackmail in connection with Radovan Karadzic and General Ratko Mladic and that "any setting of new conditions would mean continuing pressures on the Serb people, something that will not be allowed."

It was agreed that the current authorities must also ensure an appropriate appearance of all political parties in the media, as well as that cases of electricity blackout during their promotions on television must be investigated.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Banja Luka meeting was attended by leaders and representatives of the SDS, the Socialist Party of the RS (SPRS), the Party of Independent Social Democrats (SNS), the Social-Liberal Party (SLS), the People's Party of the RS (NS RS), the Serbian Patriotic Party (SPAS), the People's Radical Party "Nikola Pasic" (RS NP), the Serbian Radical Party (SRS), the Radical Fatherland Front "Nikola Pasic," the Serb Party of Krajina (SSK), and the Party of Serbian Unity (SSJ).

The first consultative meeting of the political parties of the RS was not attended by representatives of the Serbian Peasant Party from Modrica (SSS), which will also participate in the September elections in the RS. It was announced that more such meetings will be held in the future.

B-H: Serb Official Confirms Brcko Elections To Be Held 14 Sep

LD3007144796 Belgrade SRNA in Serbo-Croatian 1314 GMT 30 Jul 96

[FBIS Translated Excerpt] Brcko, 30 Jul (SRNA)—Local elections in Brcko will be held on 14 September, Radoslav Bogicevic, the head of the municipal government told SRNA today.

Following his talks with EU observers and IFOR commander Lieutenant Colonel Anthony [?Coockall], Bogicevic said that there were no reasons to postpone the local elections in Brcko, as demanded by the Muslim-Croat federation.

Bogicevic confirmed that parties based in the Bosnia-Herzegovina federation said they would boycott elections in this town if they were held in September. [passage omitted]

B-H: Krajisnik Says Elections 'Can Strengthen' Serb Republic

LD3107123396 Belgrade TANJUG Domestic Service in Serbo-Croatian 1053 GMT 31 Jul 96

[FBIS Translated Text] Nis, 31 Jul (TANJUG)—The elections on 14 September in Bosnia-Herzegovina can strengthen the Serb Republic and that is why we want to mobilize all our potential and hold them with as few problems as possible, Momcilo Krajisnik, the speaker of the People's Assembly of the Bosnian Serb Republic, told Nis radio [in central Serbia] today.

"What is even more important is the fact that the elections will resolve the very important issue of sanctions, because the Dayton agreement also says that holding elections will finally eliminate the issue of sanctions from the Bosnian agenda," Krajisnik said.

He added that the elections would represent a general verification or maybe, as he said, a revision of current policies. He gave high marks to the efforts of the Federal Republic of Yugoslavia [FRY] to help the Bosnian Serb refugees realize their right to vote in the elections in Bosnia-Herzegovina and to explain what they mean for the Serb Republic.

"The registration of refugees and their participation in the elections is very important," Krajisnik said.

Commenting on the difficulties in preparing for the elections, he said that allowing one set of election regulations for the Muslim-Croat federation and another for the Serb Republic does not suit us, because it does not work in the Serb Republic's favor.

"That is a violation of that part of the Dayton agreement [dealing with elections]," Krajisnik said.

B-H: Drvar Refugees Complain of Election Intimidation

AU3007191596 Belgrade DNEVNI TELEGRAF in Serbo-Croatian 27 Jul 96 p 3

[Unattributed report: "They Are Threatening That We Will Remain Without Aid If We Do Not Vote in the Serb Republic for SDS"]

[FBIS Translated Text] Belgrade—Refugees from Drvar living in the RS [Serb Republic] and Yugoslavia cannot chose for themselves whom to vote for at the forthcoming elections in Bosnia-Herzegovina, DNEVNI TELEGRAF has learned from the Association of Expelled Residents of Drvar.

Milorad Nedarevic, head of the Association's section told DNEVNI TELEGRAF that the "residents of Drvar are being threatened that they will not receive aid if they do not vote in the RS for the Serbian Democratic Party [SDS]. On the other hand, if they decide to vote for a RS list, they are even being promised apartments and other privileges.

"When the residents of Drvar go to register themselves in the RS or in Yugoslavia and ask for the ballot paper of the Muslim-Croat federation, the officials essentially tell them that they cannot get it, and that they should all vote in the RS. They are told that buses will take them to Brcko and Srebrenica, where they should register themselves and then cast their votes.

"We are the only association that has managed to put forward its candidates in the Federation, to which Drvar now belongs. This is why there are two lists.

"The majority of our members would like to vote in Drvar since our association is in favor of returning

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

to Drvar, regardless of whom the town belongs to, although we would prefer the town to revert to the RS through the exchange of territories, if this is possible.

"If we are not allowed to choose the list for which we want to vote, our members will not take part in the elections," Nedarevic said.

We visited, along with the representatives of the Association of Drvar Residents, the places in which the refugees are registering to vote. These are Bezanijska Kosa, Vozdovac, Zvezdara, and Banja Luka.

"Natasa Lukic, an official in the local community of Neimar in Vozdovac, told us that we cannot obtain the election list for the Federation because they had different instructions, but she did not know where the instructions had come from. She explained that those were internal instructions," Boris Delic, representative of the Helsinki Committee for Human Rights said.

B-H: Electoral Appellation Commission Dismisses Serb Complaint

AU3107175596 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 31 Jul 96

[FBIS Translated Text] The Electoral Appellation Subcommission dismissed an appeal by the Serb Republic Government pertaining to the rules and regulations of the Provisional Electoral Commission. The Serb Republic government complained that the rules and regulations of the Provisional Electoral Commission erroneously allowed the parties from the Bosnia-Herzegovina Federation to register candidates and lists of deputies for the elections for political posts in the Serb Republic.

The Electoral Appellation Subcommission also rejected an appeal by independent candidate Vladimir Srebrov for the elections in the Bosnia-Herzegovina Assembly demanding the quashing of the candidacies by two political parties on the grounds that [words indistinct] were indispensable for the participation in the elections.

The Electoral Appellation Subcommission is concerned by the evidence that the Serbian Democratic Party in Doboj is seriously violating the provisions of the Dayton accord as well as the rules and regulations of the Provisional Electoral Commission. If its guilt is established, stringent measures will be undertaken against the perpetrators, it is written in the statement of [words indistinct] Bosnia-Herzegovina.

B-H: RS Suspends Exhumation Work, Expects 'Reciprocity'

LD3007214596 Belgrade TANJUG in English 2132 GMT 30 Jul 96

[FBIS Transcribed Text] Banja Luka, July 30 (TANJUG)—The government of Serb Republic [RS] decided on Tuesday to suspend work on the exhumation of mass graves in its territory and that such work in future proceed only on a reciprocity basis because of the obstruction of the exhumation of mass graves of Serbs in the territory of the Muslim-Croat federation.

This decision came after Croat authorities in the area of the southwestern Bosnian town of Glamoc four times postponed the exhumation of the remaining 65 bodies of Serbs from a mass grave in the village of Kamen, 3 km south of Glamoc, who were killed during a Muslim-Croat offensive on Serb Republic last year.

Only three of the 42 bodies of Serbs exhumed from this mass grave on July 16 have been identified so far.

Identification is proceeding slowly because practically none of the bodies have any documents, as they were kept by the Croat side, the sources in Banja Luka said. The bodies of the 39 as yet unidentified bodies are curently here, in this, the biggest town in Serb Republic.

B-H: Serb Official Wants Exhumation Near Srebrenica Delayed

LD3107154696 Pale Srpska Radio-Televizija First Program Serb Radio in Serbo-Croatian 1400 GMT 31 Jul 96

[FBIS Translated Text] Dragan Bulajic, chairman of the Serb Republic commission for the exchange of POW's and missing persons, today sent a letter to the office of the high representative for former Bosnia-Herzegovina in Sarajevo [Carl Bildt]. He expressed dissatisfaction with and protest against violations of the agreed procedure regarding exhumation of bodies of Serb civilians and soldiers from a mass grave in Glamoc, as well as actions taken to prevent the handover of [Serb] bodies on Mt. Ozren.

At the same time, Bulajic informed the office of the high representative that despite all this, the Serb Republic would fully discharge its undertakings and observe the agreed upon procedure for exhumation and exchange of bodies.

The announcement on the opening of the Kravice [village near Srebrenica] project by the Muslim side is not in accordance with the proposed procedure, he said, adding that the office of the high representative should inform the Muslim side that work should be postponed because of the complex nature of this project and obvious delays.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Croatia: Tudjman, Izetbegovic Discuss Talks on Federation

LD3107185996 Zagreb HTV Television in Serbo-Croatian 1730 GMT 31 Jul 96

[FBIS Translated Text] After his meeting with [Bosnia-Herzegovina Federation Vice President] Ejup Ganic, whose views were one-sided and unacceptable to Croats from Bosnia-Herzegovina and to Croatia, President Tudjman has had talks with Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency. It was agreed to discuss problems between the federal partners—Bosniaks and Croats—at meetings between [Bosnian] Croat and Muslim leaders and at the forum of the federation, and if need be, at meetings of the council for cooperation between the Republic of Croatia, the federation, and Bosnia-Herzegovina.

Croatia: Ganic Urges Croatia To 'Absorb' Bosnian Croat Republic

LD3107135596 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 31 Jul 96

[FBIS Translated Text] After being received by Croatian President Tudjman, Ejup Ganic, member of Presidency of Bosnia-Herzegovina and vice president of the [Muslim-Croat] federation, held a news conference in the Bosnian Embassy in Zagreb. Andjelko Perincic reports for Croatian radio:

[Perincic] Ganic said that he had put forward a proposal to the Croatian president and, I quote, to urgently absorb the bodies of the Croat Republic of Herzeg-Bosnia into the bodies of the [Muslim-Croat] federation. He said that this was possible and that it would be an act of strengthening the federation. The talks with President Tudjman were open and direct, Ganic said. He added that it was difficult to convene sessions of the [Muslim-Croat] council for cooperation if they were fruitless.

He mentioned several cases of local provocations, assessing them as a threat to the federation, but he did not define the reasons for the provocations. According to Ganic, Herzeg-Bosnia institutions can become part of federal institutions in five to six days. However, he said he was sceptical regarding a positive reaction from the [Bosnian] Croat side.

He also said that there were no major problems in Croat-Bosniak relations and that, in line with agreements reached in Washington and Dayton, certain functions of the [Muslim-led] Republic of Bosnia-Herzegovina had already been transferred to the [Muslim-Croat] federation.

Croatia: Defense Council on Mostar, Herzeg-Bosnia

LD3107151496 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 31 Jul 96

[FBIS Translated Text] A session of the the Council of Defense and National Security has been held under the chairmanship of Croatian President Franjo Tudjman.

The council examined in detail the situation in connection with the European Union demands on Croatia following the elections in Mostar and concluded that there was no doubt that there had been legal omissions and manipulation in the elections for the Mostar city authorities. At the same time the council examined international implications of and the background to the current demands regarding Mostar and the pressure being put on the Republic of Croatia, particularly within the framework of preparations for the September elections in Bosnia-Herzegovina and the implementation of the Dayton agreement.

In this context it was said that numerous inconsistencies, omissions, and even open attempts at compromising the peace agreement for Bosnia-Herzegovina had arisen, with pressure being exerted on the Croatian side mainly in order to create conditions for establishing such relations between nations and states in the region that would be unacceptable to the Republic of Croatia, and were not conducive to well-balanced regional order and permanent peace.

It was concluded that diplomatic efforts should be stepped up in order to acquaint the international public with the legal and political implications of the Mostar elections, overall relations within the Federation of Bosnia-Herzegovina, and the attempts to create new forms of integration in the region.

With regard to the further implementation of the Dayton agreement the council said that it was necessary to evaluate the overall interests of the Croat people and the international position of the Republic of Croatia and in this respect proposed a compromise interim solution for the situation in Mostar within the institutions of the Federation of Bosnia-Herzegovina.

[Word indistinct] the overall [?development] of Croat-Bosniak relations within the Bosnia-Herzegovina Federation with the emphasis on the need to speedily set up the remaining executive federal institutions and resolve remaining outstanding issues, which have implications for the status of Croats within the federation and the consistent implementation of the Washington agreements, was considered.

Regarding the situation in Mostar, the council recommends that a solution is sought through talks at sessions

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of the federation forum in Sarajevo under the chairmanship of U.S. envoy John Kornblum.

The council also recommends that a possible compromise solution to the situation in Mostar and to the overall state of relations between the Croat and Bosniak nations is discussed at an urgent joint session of the HDZ [the Croatian Democratic Union] and SDA [the Party of Democratic Action] leaderships.

In order to speedily resolve all other issues, the council also recommends that a session of the Joint Council for Cooperation between the Republic of Croatia, the Bosnia-Herzegovina Federation, and the Republic of Bosnia-Herzegovina under the chairmanship of Dr. Franjo Tudjman, the president of the Republic, is convened with the aim of considering the overall political and other relations regarding the implementation of the agreement on the consolidation of the federation.

With reference to demands in connection with the functioning of Herzeg-Bosnia and its executive bodies, the hitherto transfer of some administrative duties of the Herzeg-Bosnia government to the government of the Federation of Bosnia-Herzegovina was assessed as positive. It was stressed that the process ought to continue and that the Muslim side should be asked at the next session of the joint council for cooperation to make additional efforts to strengthen other departments of the federal government in order, in accordance with the Dayton Agreement, to carry out the transformation of the Herzeg-Bosnia institutions, alongside the complete functioning of the federal government.

The council has warned of the particular responsibility of the Croat political leadership in Bosnia-Herzegovina to protect the interests of the Croat people in Bosnia-Herzegovina, including responsibility with regard to the urgent removal of all illegal and politically detrimental actions which are an additional motive for putting pressure on the Croatian side.

The council assessed as positive the initiative launched by the Herzeg-Bosnia representatives who attended the session that the procedure for transforming the Croat Republic of Herzeg-Bosnia into a political community of the Croat people should be initiated at the next session of the Chamber of Deputies of the Croat Republic of Herzeg-Bosnia [Bosnian Croat assembly].

In reference to the process of peaceful reintegration of the Croatian Danubian region, it was concluded that the process was proceeding according to the timetable proposed by the Government of the Republic of Croatia and Jacques Klein, the transitional administrator for the region. Proposals for the further process of reintegration and the transitional administrator's work so far were assessed as positive, in connection with which it was emphasized that there were no obstacles to the elections in December, as envisaged by the UN Security Council resolution and the Basic Agreement.

In order to achieve success in the further process of reintegration the council calls on the Croatian public and mass media to follow Croatian state policy in the final phase of the implementation of the Croats' return to the Croatian Danubian area.

Croatia: UNTAES Commander Details Agenda for E. Slavonia

BR3107144996 Brussels LE SOIR in French 31 Jul 96 p 5

[Report by Edouard van Velthem]

[FBIS Translated Text] "Renewal of the mandate for six months until 31 December 1996. Free elections throughout Eastern Slavonia in the spring of 1997. End of the mission and departure of the last Belgian and Russian Blue Helmet contingents in the following month of July."

Back in Belgium for a short one-week holiday, General Jozef Schoups briefly summed up, yesterday, the timetable for the coming period in Baranja, the last part of Croatian territory—between the Save and the Danube—still controlled by the Serbian secessionists.

Somewhat overshadowed by the election preparations which are currently intensifying in neighboring Bosnia-Herzegovina, the UN Transitional Administration for Eastern Slavonia (UNTAES) is tackling a difficult task in an area which experts continue to designate as one of potential conflict between the main regional powers, Serbia and Croatia.

"Since 21 June demilitarization has been an accomplished fact," the Belgian officer in charge of the mission—at the head of a multinational force of some 5,000 men—went on to say. "The remaining tasks are exclusively civilian in nature and, here too, they are complex, difficult to implement."

In a postwar period with uncertain prospects, an obvious comparison can be established on both sides of the border. There is the task of reconstructing the economy of what was formerly one of the Balkans' most prosperous regions—a task made difficult by the lack of financial means. There is the chancy return of Croatian refugees, which is often "symmetrical" in relation to the exodus of the Serbian minority present in the region. There is, lastly, a wall of mistrust—huge—which is delaying objectives as crucial as the deployment of a temporary joint Serbo-Croatian police force. These are the same

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

obstacles to reconciliation as in Mostar or Sarajevo. In addition, there is the terrible trauma suffered by Vukovar, whose fall, following weeks of agony, was among the bloodiest episodes of the war in former Yugoslavia.

Psychological Work

No longer in the media's limelight since the Erdut agreement was signed last November to enable its peaceful reintegration into the Croatian zone, Eastern Slavonia is struggling, moreover, in an always difficult diplomatic context. The fragile normalization of relations currently under way between Belgrade and Zagreb has not yet led to mutual recognition by the "enemy brothers" and, with the exception of a number of isolated contacts between their respective foreign ministers, there is no immediate prospect of a meeting "at the highest level" between Presidents Tudjman and Milosevic.

However, despite these handicaps, a positive intermediate balance sheet of the situation can be drawn up. It is generally believed that the atmosphere in the region has become less tense, if not altogether serene. International observers are applying themselves to a triple in-depth task, which is more psychological than political or military in nature, namely, reassuring the Serbian population so as to avoid any last-minute resurgence of "ethnic cleansing," appeasing the wish for revenge among the Croatian population when it comes back vested with the attributes of power, and dispelling any feelings of hatred or fear among both communities, so as to help a return to coexistence.

As was recently remarked—with a touch of irony—by an adviser to the civilian administrator, American diplomat Jack Klein, "Our greatest satisfaction lies in having acquired a good knowledge of the ground and the mentalities. This is sufficient, in any case, not to systematically depend for success on the bawling-outs or gesturing in the media by Richard Holbrooke in Sarajevo...."

Croatia: HDZ Negotiator Comments on Zagreb Crisis

AU3107201196 Split SLOBODNA DALMACIJA in Serbo-Croatian 28 Jul 96 p 5

[Interview with Zlatko Canjuga, head negotiator of the HDZ, by Silva P. Stazic; place and date not given: "The Alliance as an Adornment for Communists"]

[FBIS Translated Text] We discussed certain controversies with Zlatko Canjuga, head negotiator of the HDZ [Croatian Democratic Union] in this summer's attempt to solve the Zagreb crisis. We asked him whether the recent political events were a result of some hidden intentions of the party in power, an aftermath of the "idle summer season" in the media or perhaps an outcome of the confrontations of the clashing factions in the ruling party.

[Stazic] You could not hide your satisfaction when the negotiations on the Zagreb crisis were terminated before they even started. Why?

[Canjuga] You have the wrong impression. I am pleased that we have shown Zagreb and Croatia that the so-called alliance [New Assembly 95, an alliance of five opposition parties] cannot represent itself as a party that wants to solve the Zagreb crisis through a sincere dialogue. The alliance is trying to blame the HDZ for the entire situation and maintain the status quo in Zagreb as long as possible. At the same time, they are trying to present themselves as an alliance that wants to force the allegedly undemocratic and arrogant HDZ to accept a democratic solution.

Good Intentions

[Stazic] What was the HDZ's real intention—to reach an agreement or to break up the alliance? Did you really expect the opposition parties to accept your offer after nine months? After all those months, the post of the Zagreb mayor has become a matter of political morality.

[Canjuga] The intentions of the HDZ are good. I myself have initiated the negotiations in the name of the Zagreb branch of the HDZ. We complied with all the requirements and conclusions of the chairmen of the town branches of the opposition parties when we proposed a concrete structure of the executive authorities in Zagreb. However, the final negotiations never began, but if they had the HDZ would have been ready to discuss the issue of the mayor of Zagreb. That is the logic and the point of all negotiations. The so-called alliance might have proposed their solution, but they were radical in their decision to terminate all further negotiations. I must also stress that it was the first time in 10 months that the HDZ made a concrete suggestion on the structure of the executive authorities in Zagreb. According to our suggestion, the opposition would have 60 percent of the seats in the Council; we gave the opposition 10 out of 15 seats and kept five for ourselves. Among those five seats is the post of mayor, the first among equals. I must admit that certain chairmen of Zagreb branches of opposition parties liked the idea, but the party leaders pressured them into giving it up.

[Stazic] Could you please specify those parties? Are they perhaps the minor parties?

[Canjuga] I do not like to go into too much detail. There were diverse opinions among the chairmen of town committees. Party leaderships set their own goal

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

by terminating the negotiations in that arrogant way. However, I can say that the HDZ is open to further negotiations, but only with individual parties, not with the alliance. They cannot expect us to wait until they reach an agreement within the alliance. We will negotiate with individual parties.

[Stazic] Why?

[Canjuga] We believe we are more likely to reach an agreement, for the benefit of all citizens of Zagreb, in bilateral negotiations rather than in the so-called alliance.

[Stazic] So far the Liberals are the only ones that have entered bilateral negotiations with the HDZ. It was a disaster for them. What makes you think other parties will enter into bilateral negotiations with the HDZ?

[Canjuga] If a party does not want to negotiate with the leading Croatian parliamentary and democratic party, we must wonder what its political intentions are. The HDZ is willing to discuss and solve certain problems of our society. We admit that there are difficulties and that we have made mistakes in social, personnel, and economic policies. We admit that we ought to be more self-critical, and I must add that the HDZ is more than ready to embark on solving those problems—alone and in cooperation with other Croatian democratic parties. We will no longer tolerate certain actions by our prominent members. We will ask them to assume a more professional approach and to get rid of their inherited bureaucratism as well as their arrogance and haughtiness that citizens are complaining about. Our party will not tolerate people whose actions provoke the anger of our voters, which eventually results in people being disappointed in our party. The HDZ cannot waste the credit it has gained on various unprofessional and irresponsible actions of individuals.

Self-Criticism

[Stazic] You have announced a cleaning. Can you tell us what the initial actions will be?

[Canjuga] We must make a correct judgment of every individual's contribution to the benefit of Croatia and its citizens, as well as how conscientious and professional he has been in doing his duties. If our party wants to have good results in the next elections and good communication with the citizens—as we had in 1990 and 1992—we must not allow self-deception or excuses for certain persons.

[Stazic] I believe citizens are looking forward to seeing the HDZ do that. How soon will it happen?

[Canjuga] I believe the HDZ is resolved to apply that policy, the sooner the better. Anyway, it is only for the benefit of the party and the entire state. Besides, it will justify the trust our voters have put in us, but also gain us new votes.

[Stazic] Have there been any indications that an opposition party would enter the bilateral negotiations with the HDZ?

[Canjuga] We will see that in three weeks or a month. That is not crucial for us. The important issue is whether this situation makes room for democracy or makes political relations more radical. Personally, I find democracy extremely important for a good, peaceful life in Croatia. I see that there are disputes among the leadership of the opposition parties, too—some of them want to be even more radical in their attitude toward the HDZ, while others would prefer a dialogue.

[Stazic] Is that why you avoid calling the alliance by its name in your statements? You call them "the parliamentary parties."

[Canjuga] You see, the alliance is not a real coalition. Certain party leaders have spelled it out that they are nothing like a political coalition, because they are afraid to say that the social democrats, the liberals, the HSS [Croatian Peasants Party], the HNS [Croatian National Party], and the ASH [Action of Social Democrats of Croatia] do not have programs that could start a good democratic process. Their disparate programs keep them from making a natural coalition, and that is why I say it is an unnatural alliance. However, the social democrats are manipulating in order to make it seem as the alliance exists. They want to stop the Croatian political scene from organizing itself into the left, the center, and the right because they—as the former left—would stay alone in an exposed position. Their narrow party interests have made them conjoin with the traditional Croatian parties—the HSS, for instance—in order to join the political center. That is why they have exaggerated the political problem of Zagreb and raised it to the national level by opening the issue of some kind of coalition and the government of national unity. All of that happened because of the admission to the Council of Europe. The social democrats know that their odds are not good if they confront the HDZ directly, as the public would accuse them of bringing the former communists back to power. Therefore, they are using the alliance as a platform, as a group of parties where they can pull all the strings. They need the alliance to give them the traditional Croatian adornment.

The Comeback of Communists

[Stazic] I do not think you can pull that trick anymore. Didn't the last elections prove that most of the voters realized that the former Communists were really former?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Canjuga] I do not think you can interpret history so simply or politics so naively. President Tudjman has defined his attitude toward the parties of both the left and the right very clearly. When I see that other party leaders have done the same, I will admit that they are serious. Until they do that, I will maintain that their policy is disputable and their alliance unnatural.

[Stazic] You keep talking about the unnatural alliance. Why couldn't different parties form a coalition under the given circumstances?

[Canjuga] Parties enter coalitions primarily on the basis of their programs. The HDZ thinks that the intention of the alliance is to destabilize internal politics, as the alliance of various parties simply cannot have a defined social or economic program. Their irreconcilable differences cannot start a reliable democratic process in Croatian society nor can they give the citizens a clear view of party configurations.

[Stazic] The HDZ now asks for unity of all political parties: The right, the left, and the Liberals. How do you think it can be achieved?

[Canjuga] We want the unity of all political parties, but not a coalition that would comprise everything, from the left to the right. Certain common attitudes toward the sovereignty and democracy of Croatia can be achieved.

[Stazic] Why would the parties accept such an undefined unity?

[Canjuga] It is up to them to decide whether they will help preserve the sovereignty and unity of the Croatian people that we have paid for so dearly. Croatian parties played an important role in recent years. After the war, in peace, certain old differences became obvious again.

[Stazic] Do you think that the alliance of the opposition parties is partially responsible for Croatia not being admitted to the Council of Europe? The HDZ is the party in power, the party that makes decisions.

[Canjuga] The establishment of authorities in Zagreb is one of the 21 stipulations for the admission of Croatia to the Council of Europe, as an internal problem of the sovereign Croatian state. Certain individuals and politicians do not want to reach an agreement on that problem, but they are happy to blame the HDZ for that and thus gain political credit.

[box, p 5]

Trial Balloons?

[Stazic] Did the HDZ consider the idea of a government of national unity and send up trial balloons, and then—when the opposition proved unwilling to enter that kind of government because of the upcoming elections—denied it? The denials were confusing, especially as the HDZ asked the HSLS [Croatian Social Liberal Party] to enter the coalition and was apparently disappointed when the Liberals terminated the negotiations.

[Canjuga] I must say that your question is incorrect, although quite funny, just like a number of your previous questions. Individual and independent ideas of party members are not an official decision of the party leader. Don't you think we also conduct public opinion polls?

[Stazic] What were the results of your last public opinion poll?

[Canjuga] That the HDZ will win the elections in Zagreb.

Croatia: Delegates for Bosnian HDZ Assembly Appointed

LD3107181096 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 31 Jul 96

[FBIS Translated Text] At its session presided over by [Croatian President] Franjo Tudjman today the presidency of the Croatian Democratic Union [HDZ—Croatian ruling party] examined the situation and adopted stands on a series of issues in connection with the internal policy and party matters, it has been announced by the HDZ General Secretariat.

With reference to the fourth Bosnia-Herzegovina [Bosnian Croat ruling party] HDZ Assembly which is to be held on 2 and 3 August in Neum, the following delegation has been appointed: HDZ Deputy Chairman Gojko Susak [Croatian defense minister]; HDZ Chairman Franjo Tudjman's envoy; HDZ Deputy Chairman Mate Granic [Croatian foreign minister]; HDZ deputy chairman Ivic Pasalic; the chairman of the club of HDZ deputies at the Chamber of Deputies of the Croatian Assembly Ivan Milas; and the HDZ secretary general, Ivan Valent.

Croatia: Ex-Yugoslavia Debt Deal Signed With London Club Banks

MS0108094196 London FINANCIAL TIMES in English 1 Aug 96 p 2

[Report by Kevin Done: "Croatia Agrees Debt Deal With London Club Banks"]

[FBIS Transcribed Text] Croatia yesterday issued new bonds totalling more than $1.46bn (940m pounds) in exchange for its share of the commercial bank debt of former Yugoslavia. The transaction marks a key step for the London Club of commercial banks in renegotiating debt totalling around $4.7bn.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The deal with Croatia follows the pioneering debt exchange completed in June with Slovenia, which issued new bonds totalling $812.5m.

Croatia has taken on 29.5 per cent of the foreign commercial bank debt of former Yugoslavia held by qualifying creditors, while Slovenia has taken on 18 per cent.

In return all Croatian and Slovenian entities have been released from their obligations for "joint and several liability" for the whole of the $4.4bn debt of former Yugoslavia contained in the New Financing Agreement [NFA] of 1988. The NFA was the last debt restructuring deal made by Belgrade with the London Club before the break-up of Yugoslavia in 1991 and the default in early 1992.

The Croatian bonds have been issued in two series and will be listed on the Luxembourg stock exchange.

The deals between the London Club and Croatia and Slovenia are crucial steps in allowing them to build an independent presence in the international capital markets.

Croatia has specifically excluded from its debt exchange so-called Serbian "connected persons," which were estimated to hold around 15 per cent of the NFA debt totalling $4.4bn.

Rump Yugoslavia (Serbia and Montenegro) has been locked in bitter dispute with the other states that emerged from former Yugoslavia, Croatia, Slovenia, Macedonia and Bosnia-Herzegovina—over the assets of former Yugoslavia, which include up to $2bn in foreign exchange and gold currently frozen in foreign accounts chiefly in the UK, Switzerland and the US.

Belgrade has softened its stance in recent weeks, however, and has also entered into preliminary negotiations with the commercial banks.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Poland: Cimoszewicz on NATO, EU Enlargement

MS0108102996 London THE EUROPEAN in English 1-7 Aug 96 p 9

[Interview with Polish Prime Minister Wlodzimierz Cimoszewicz by Ian Mather in Cimoszewicz's Warsaw office; date not given]

[FBIS Transcribed Text] Few people would suspect that Wlodzimierz Cimoszewicz, suave and composed in an immaculate grey suit, is a former pig farmer.

Admittedly, the Polish premier farmed for only four years after he tired of teaching international law at Warsaw University and withdrew deep into the countryside of northeastern Poland with his wife and two children.

That was in 1985. While the rise of Solidarity rocked Poland's capital to its political foundations, Cimoszewicz looked after his pigs. He eventually went into politics on the left, and today is Poland's seventh prime minister since the collapse of communism.

He is a popular one at that: in a recent opinion poll Cimoszewicz achieved a score that any politician would envy. Eighty per cent of those asked agreed that he was handsome and intelligent. He will need all the personal attributes he can muster in the next few years, for Cimoszewicz heads a government that could be on the brink of steering its country through momentous changes.

Cimoszewicz's spacious office on Warsaw's Royal Way is dominated by symbols of Polish nationalism and culture: a Polish eagle glares down from the wall behind his desk, while the country's red and white flag hangs alongside large oil paintings of lakes and forests. But the aspirations of most Poles today are international. They talk of achieving the "return to Europe," by which they mean that Poland, after the dark days of communist subjugation, will take its place as a member of the European Union and Nato.

The day after our meeting, Poland was to hand to Brussels its replies to the EU's formal questionnaire, the acquis, a key part of the process of joining the EU. The 2,300 pages of replies to more than 3,000 questions give information ranging from internal and foreign policy to details of harvests and the numbers of machines in different industries. It will provide the basis for Poland's entry negotiations, which should start next year.

Things are going fairly well for Poland. The mild consternation in western capitals when former communists were returned to power in 1993 gave way to satisfaction when they proved their credentials as a party committed to reform and the development of democratic institutions. The election of former communist Aleksander Kwasniewski as president in 1995 turned out to be similarly undramatic in its consequences.

But there is one aspect of the acquis which the EU will subject to particularly close scrutiny. It accuses Poland of protectionism, in breach of the association agreement it signed in 1991.

At a meeting with Polish officials in Brussels, Hans van den Broek, the EU commissioner for central and eastern Europe, recently accused Poland of erecting barriers against oil imports. He also objected to a deal Poland had signed with Korean car-maker Daewoo to import 100,000 car packs a year for assembly in Poland. Cimoszewicz refuses to be overawed. "I have the impression that the public presentation has been over-exaggerated; and that this is not as big a problem as it may seem. These are just ordinary hitches." He argues that it is necessary to protect some Polish industries while they are modernised before exposing them to international competition when Poland joins the EU.

"There are clashes of interest between us and the EU," he said. "But we do not believe we are going too far. It is within the provisions of our association treaty to use some measures of protection while sectors of industry are modernised. We are speaking about very sensitive sectors of our economy. That is the reason we still some keep protection tariffs in the oil refinery field."

He added: "While EU politicians accuse Poland of protective measures, they ignore the fact that our trade is not in surplus. We import much more than we export to EU countries, and I don't think any country can accept the idea of a continuous imbalance in trade."

So much for European negotiations. As far as Nato too is concerned, the path to, accession is strewn with problems. It is an open secret that Poland, along with the Czech Republic and Hungary, is one of the frontrunners to join Nato. As decision-day approaches, some Nato governments are becoming uneasy about the cost. Studies in the US have shown that the overall cost to present and future Nato members of reorganising and modernising the armed forces of the three applicants could be as high as $61 billion. Opinion polls in Poland have shown sinking enthusiasm as people have become aware of the enormous outlay.

Cimoszewicz is sanguine. "There are many misunderstandings about the costs to Poland of joining Nato," he said. "All these studies make certain assumptions. But the cost will depend on the role to be played by new Nato members. There is the question of the speed of modernisation of the armed forces. It is not a precondition of membership to modernise to full Nato standards at the very moment of achieving membership.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

"In our talks with politicians from Nato countries, and with generals in Nato, it is clear that it is not anticipated that there will be very high costs for both sides. We believe it is probable that Nato will be enlarged earlier than the European Union, and that we may become a member of Nato a year or two earlier."

Closer to home, the past rather than the future has presented the left-leaning coalition government with its most delicate problems. Above all, they have had to deal with the open would in the Polish psyche that is Auschwitz and the Second World War. This has proved a challenging task.

Talk of a supermarket next to the site of the former Nazi concentration camp has outraged Polish Jews and many Christians. At a 7 July anniversary ceremony in the southern town of Kielce, where 42 Jews were killed in 1946, Cimoszewicz formally apologised for the wrongs done to Jews by Poles. "It is necessary to talk," he said, adding that the government had adopted a "programme" for Auschwitz. "The idea is to rearrange the Auschwitz museum in order to preserve the camp and to avoid the risk of any improper activity. We want to build a conference centre for foreign teachers to teach history, and we invite Jews and other governments to be our partners in the programme."

Cimoszewicz also wants to redefine the historic role of Catholicism in Poland's politics. The main point at issue here is whether the Polish constitution should include an "invocation to God," seen as an indicator of whether Poland is a religious or a secular state.

In a country still bitterly divided between former communists and Catholics, Cimoszewicz, a religious sceptic, sees himself as a champion of compromise and dialogue. He says he want to establish a "normal" political system in Poland.

"In establishing the institutions of a democratic state we did what was necessary. But when it comes to the party-political system we do not have a mature political scene. The main differences between the political groups are differences from the past, not programmes. Politicians and political parties lack the ability to reach compromises. Unfortunately, the positions taken by political leaders are often just too extreme."

Poland: Conditions of Membership in NATO Assessed

WS3107134296 Warsaw POLITYKA in Polish 3 Aug 96 p 13

[Commentary by Marek Ostrowski: "Membership Conditions"]

[FBIS Translated Text] The U.S. Congress has passed a law on "facilitating the expansion of NATO." Three or four of the countries which are applying for NATO membership received special treatment—the Congress earmarked for them $60 million in military aid for next year. Our Foreign Affairs Ministry rightly hailed this as a "good signal"; one of the reasons for this is that Poland is perceived as a country which may meet the requirements of NATO membership. Also, signals have come from Russia that Moscow's uncompromising stand on this issue is changing.

However, we have a long way to go. The issue of "membership conditions" is rather unfortunate for Poland. There is talk of high costs of the integration; warnings are given that the army of a prospective NATO member must achieve "interoperability" [preceding word published in English], which means the ability to act jointly with NATO. Nonetheless, such a country as Iceland, for instance, which is a NATO member-state largely due to its strategic location, does not have any armed forces at all. Now, after all, NATO did not tell Icelanders: first build your armed forces, then achieve "interoperability," and then we may admit you to NATO. For many years France was outside the military structures of the alliance completely. When the alliance was established in 1949, for a long time there was no "interoperability," there was only the will to cooperate and the will of the alliance. Such a will is the most important thing. The decision on NATO expansion is a political matter, not a technical one.

Poland: Official for Integration With EU Interviewed

WS3007145796 Poznan WPROST in Polish 28 Jul 96 pp 17-18

[Interview with Jacek Saryusz-Wolski, Polish government official for European integration and foreign aid, by Krzysztof Golata and Andrzej Szoszkiewicz; place and date not given: "A System of Conflicts"]

[FBIS Translated Excerpt] [WPROST] Our politicians keep talking about the possible date of Poland's admission to the EU. Meanwhile, it turns out that the number of controversial issues is growing, and in some "difficult" areas not really much is happening.

[Saryusz-Wolski] I will defend the issue of the date of our admission to the EU. This is neither a mania nor an obsession. All along the EU has been setting deadlines for itself. Until a specific date of EU expansion is set, the trend toward postponing the final decision will be predominant. Both we and Brussels need time for adjustment. Lack of a final date demobilizes both sides.

[WPROST] As a result, a vicious circle forms. Brussels does not specify the date, we slow the rate of implementing our reforms, they accuse us of not adjusting our economy to the European standards.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Saryusz-Wolski] Although the EU has not fixed the date, we are not slowing the rate of implementing reforms; one can even say that we are stepping up these processes. This is because we realize that it will not be possible to obtain EU membership at the negotiating table. We will have to work hard to get it; I am talking not only about the macroeconony and microeconomy, or the legislature, but also about preparing the people for it. As much as 80 percent of the work related to integration must be done here in the country. Poland's European policy is largely its domestic policy.

[WPROST] However, no one can tell representatives of some industry branches that it is to their disadvantage to demand state protection.

[Saryusz-Wolski] In the association treaty we made allowances—and rightly so, I believe—for some unpredictable events in the transformation process. Of course, it would be better if we did not take advantage of this provision too much. In the case of the oil sector, we failed to start its real transformation in time. I believe that we ought to take advantage of the possibility of protecting the oil sector which results from Article 28 of the treaty. From the formal and legal viewpoints, the European Commission is wrong in maintaining that we are not entitled to that. This is not a violation of the treaty.

[WPROST] Nevertheless, a protectionist policy toward the oil industry may make it more difficult for us to join the EU.

[Saryusz-Wolski] Let me say that, on the other hand, the nervous reaction in Brussels to the protection of our oil sector proves that our market is quite important. In the case of marginal markets, one does not react so nervously. This is good news. The bad news is that we will have to resolve this problem somehow.

[WPROST] Can our monopolists compete with Shell or British Petroleum?

[Saryusz-Wolski] We must differentiate between two things. I have reason to believe that the real reason for such a reaction on the part of the EU was not its concern over the rate of our adjustment to the EU requirements, but pressure exerted by strong lobbying groups. Western refineries are producing more than they are able to sell, so they would like to sell the surplus on our market. Moreover, this is a strategic sector, a sector which is taken special care of in every country. The fact that the issue was presented in such a way is a result of specific interests. Such issues will appear more and more often. The EU is an institutionalized system of conflicts among industry branches, sectors, regions, and countries. Not long ago French gunboats shot at Spanish fishing boats.

[WPROST] Will such conflicts be observed in Poland as well?

[Saryusz-Wolski] Of course they will, and this is natural. We must accept the EU as it is. We must get rid of the inclination to admire it too much; we must master its mechanisms and conduct dialog like partners—not shooting the ball at our own goal because of unnecessary procedural mistakes. The EU suddenly cuts us off from its market of black currants and cherries. Our question is: Why? They answer that we deregulated their market. Now we are receiving signals that the problem with foot-and-mouth disease may come up again. There is some hypocrisy in such activities. At the forum of the Poland-EU Committee and Association Council we gave four specific examples of violations of the European treaty on EU territory. For a year and a half now, we have been asking, without effect, the EU to provide an explanation regarding the rights which our citizens and companies have on EU territory. [passage omitted]

The EU is busy sorting out its internal problems and is not prepared to present us with any new proposal. If the intergovernment conference is a success and the EU decides that it is ready to expand, the process may be sped up. Let us not delude ourselves that it will be an easy process. I believe that the various conflicts may grow, but this will mean that we are drawing closer to EU membership.

Poland: Cabinet Office Head Miller Discusses U.S. Trip

WS3107142596 Warsaw TRYBUNA in Polish 31 Jul 96 pp 1-2

[Interview with Leszek Miller, head of the Office of the Polish Council of Ministers, by Ewa Rosolak; place and date not given: "A Trip to America With Atlanta in the Backdrop"]

[FBIS Translated Excerpt] [Rosolak] The itinerary of your stay in the United States was so diverse that I will ask you a basic question: What was the primary purpose of this visit?

[Miller] It was the signing of a document entitled "A Common Program of the Polish Government and the Government of the United States Regarding the Combating of Crime and the Strengthening of Public Security." It is the first government program which, as we assume, will make cooperation possible not only between police forces, but also among all other organs engaged in the combating of crime: tax police, border troops, judiciary.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Rosolak] Why is Poland the first country in this part of Europe with which this agreement has been signed?

[Miller] One of the reasons is our cooperation with appropriate U.S. agencies, which is very advanced. Another reason is the fact that Poland is at the crossroads of the routes which criminal organizations use to transfer drugs and stolen automobiles. It is important for all of Europe, the United States, and Poland that we form a barrier to make free movement of people linked to criminal organizations impossible.

[Rosolak] What will this agreement mean in practice?

[Miller] It will give us access to the FBI computer system and the possibility of training more Polish specialists in the United States or of training them in Poland with the help of American specialists, particularly in fields in which we do not have enough well-trained people, such as drugs, bomb deactivation, recognition of explosive-making techniques. The program also includes a provision concerning the establishment of a special training center in which data would be stored and analyzed; also, seminars would be organized there—not only for crime-fighting specialists, but also for politicians. At our initiatve, this provision was included in the program.

[Rosolak] Why should it organize seminars for politicians?

[Miller] Because they make the laws, and the law should effectively prevent the criminal world from developing.

[Rosolak] I know that you presented Polish initiatives in the United States...

[Miller] I presented the American administration with an initiative launched by Prime Minister Cimoszewicz regarding joint crime-fighting actions in the Baltic Sea basin. I am glad that Polish ideas, particularly those concerning international protection of witnesses, were understood and supported.

[Rosolak] You spoke with the directors of the FBI and the CIA. You met with representatives of practically all the agencies—from the secret service to services specialized in combating crime or cigarette smuggling. Were they talks between the master and a disciple?

[Miller] I do not think so. The high evaluation of the skills of our specialists as well as the assurances that the Americans will gladly take advantage of the knowledge of our experts lead us to believe that this agreement will be beneficial to both sides. Of course, we do realize that the Americans have greater experience and better equipment. [passage omitted]

[Rosolak] How many Poles have graduated from the Quantico academy?

[Miller] The only Polish graduate of that academy is Miroslaw Kumanek, who is currently working at the Internal Affairs Ministry. During my visit, we agreed that two more Poles would go to study there soon. [passage omitted]

[Rosolak] Minister, why was it you, head of the Office of the Council of Ministers, who signed the agreement with the Americans?

[Miller] This agreement envisions activities which are normally approved by several ministers. If the document had been signed by the internal affairs minister, then the minister of justice or the finance minister might have asked: Why him? Therefore, we decided on a model that fit the reality best. After all, I am the chairman of the Sociopolitical Committee of the Council of Ministers, and all these issues are within the powers of this committee.

[Rosolak] Thank you for the interview.

Poland: Discord Between ROP, AWS, KPN Highlighted

LD2807195196 Warsaw TVP Television First Program Network in Polish 1730 GMT 28 Jul 96

[Relayed by Warsaw TV Polonia Network in Polish]

[FBIS Translated Text] The Movement for the Reconstruction of Poland [ROP] has warned that the activities of Solidarity Electoral Action [AWS] may end in a debacle for the Polish Right similar to that of the St. Catherine's Convention a year ago. ROP leader Jan Olszewski has rejected the proposal of Solidarity Chairman Marian Krzaklewski, that ROP join AWS.

[Begin recording] [Unidentified correspondent] The leaders of ROP stress that they want to have an alliance with Solidarity and the creation of a program bloc around the citizens' constitutional draft. In their view, AWS gives no such opportunity since it also combines groupings that do not accept the citizens' draft.

[Olszewski] In the case of AWS, we have to deal with the participation of so wide a range of various kinds of groupings, often—well, what can one say?—altogether exotic or else hitherto completely unknown on the Polish political stage, that it is very difficult to get any bearings as to their real programmatic and ideological stances.

[Correspondent] ROP feels that the AWS will end with a debacle for the right, as did the St. Catherine's Convention, which a year ago was unable to produce a candidate for president.

[Piotr Zak, Solidarity spokesman] Are we not afraid that this will end in a subsequent debacle? This is a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

politicians' problem. I think that it really will be a debacle if the Polish Right turns out to be incapable of unifying before the elections. I think that such actions as have recently been put forward by ROP do not serve to bring about such an integration.

[Correspondent] We must unite, stresses the leader of the Confederation for Independent Poland [KPN], a participant in AWS.

[Krzysztof Krol, KPN leader] This is the most honest way of presenting the matter. The internal differences between us ought to be in the background. It is more important both that electors expect this and that the electoral arithmetic shows this to be so. A single electoral list has a chance of beating the postcommunists. Two or three lists do not give us such a chance.

[Correspondent] Krol recalls that the groupings in AWS have acknowledged the citizens' draft for the constitution and the Solidarity social welfare program as being their bases for an accord. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Romania: Washington Envoy on U.S. Stance on Ethnic Rights

AU3107195796 Bucharest Radio Romania Network in Romanian 1900 GMT 31 Jul 96

[FBIS Translated Text] The recent statement by the U.S. State Department spokesman referring to the fact that the U.S. Administration supports the efforts made by the ethnic minorities in central Europe to preserve their cultural heritage, but not accepting the principle of territorial rights on ethnic criteria is a balanced statement in concordance with the stance of the U.S. Administration orn that issue—Mircea Geoana, Romania's ambassador in the United States, declared for the ROMPRES news agency.

He continued by saying that the statement coincides, to a great extent, with the position of Romania, and it represents the result of a very pertinent political analysis of what the 5 July Budapest declaration [at the conclusion of the Hungarian-Hungarian summit] genuinely means. The statement made by U.S. State Department Spokesman Nicholas Burns does not favor any of the parties, that is, it is neither positive nor negative for either Romania, Slovakia, or Hungary, but it rather expresses the balanced position on the State Department in Washington, Ambassador Geoana concluded.

Romania: CDR Head Comments on Support in U.S., MFN

AU3107150496 Bucharest JURNALUL NATIONAL in Romanian 25 Jul 96 p 12

[Report by Doina Bostan]

[FBIS Translated Text] Following a one-week visit to the United States and a series of talks with the Romanian community there, CDR [Democratic Convention of Romania] President Emil Constantinescu reassured the CDR-member parties of the support they enjoy abroad. The CDR leader said that ethnic Romanians living in the United States consider the CDR the sole genuine alternative, while all other types of alliances outside the convention do nothing but harm the cause of democracy in Romania. The CDR president also stated that ethnic Romanians in the United States have full faith in the CDR's ability to change Romania's destiny by dethroning the Iliescu regime, which has been detrimental to Romania.

Referring to accusations by President Ion Iliescu that the CDR president is reluctant to help Romania obtain most favored nation status on a permanent basis, Constantinescu expressed his regret at "the undignified stance displayed by the head of Romania," adding that Iliescu's stance might be prejudicial to Romania's image and could hurt the country's chances for euro-atlantic integration. The CDR president explained that his support for the Romanian cause over the past four years has been very discrete, because national interests should not be used to gain electoral capital.

Romania: Iliescu's Mistake on MFN Status Said Harmful

AU0108112896 Bucharest ROMANIA LIBERA in Romanian 26 Jul 96 p 3

[Commentary by Clementina Filip: "The President's Duplicity and the Responsibility of the Opposition"]

[FBIS Translated Text] Immediately following the voting in the U.S. Congress, a ballot that consecrated granting most-favored-nation [MFN] status to Romania on a permanent basis, Ion Iliescu burst into the hall in which his own spokesman was holding the weekly press briefing to express his opinion on that event. Thus, the entire world could learn that all the credit for having obtained permanent MFN status go to him, personally, as well as the Vacaroiu cabinet, the ruling party of the country, and the lobbying successfully carried out by the Romanian Embassy in Washington.

As is absolutely normal, Iliescu's stand made opposition leaders react vehemently. However, if such a domestic reaction was to be expected, the reaction from U.S. official circles caused great surprise. As bad news travels fast, within merely a few days Washington also learned of President Iliescu's comments. One of the preconditions imposed by the U.S. party for granting permanent MFN status was the one stipulating that this event should not be used to strike electoral capital. Furthermore, U.S. Congressman Christopher Smith wrote Iliescu an extremely harsh letter announcing that he is to commence a signature-gathering campaign intended to ask U.S. President Clinton to postpone the promulgation of the document on MFN status until after the November elections in Romania. And topping it all, the congressman also announced that when the issue of Romania's joining NATO is submitted to debate, the American party will be much more cautious about our country.

This is how all of a sudden President Iliescu's old reputation as a blunderer has created circumstances that are more than perilous for our country.

On Wednesday [24 July] evening, however, we witnessed a dramatic change. Following secret talks with Emil Constantinescu and Petre Roman, Iliescu, together with his political rivals, appeared in front of the press

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and admitted that he had made a mistake and the opposition's contribution to obtaining MFN status had actually been important. The three political leaders then even signed a joint declaration, the principal point of which states that the president has recanted his own statement made earlier. This was an important retraction. The damage, however, had already been done, and Iliescu's public appearance in the company of the leaders of the principal opposition parties could not mend anything.

As for their joint decision establishing that none of the competing parties is to use MFN status to serve its purposes in the coming electoral campaign, we very much doubt that it will be observed. Even if the PDSR [Social Democracy Party of Romania] might, perhaps, abstain from attacking the opposition parties, its current and former allies, once members of the four-party alliance [PDSR, the Romanian National unity Party, the Socialist Party of Labor, and the Greater Romania Party], will surely find it impossible to refrain from such attacks.

As far as the domestic political implications are concerned, the Wednesday evening meeting opens new perspectives in the presidential race this fall. By admitting his mistake, President Iliescu scored in his own goal, and if Congressman Smith will indeed manage to have the promulgation of the status blocked until after the elections, one can safely assess that Iliescu's third term will be gone with the wind. As for Iliescu's discussion partners, we believe that it would have been better if they had left Iliescu to do penance in sackcloth and ashes first, and appear only afterwards to accept his apologies. One, however, should not think in this way, as the concession they made to Iliescu was actually intended for the Romanian nation, rather than the presidency.

As far as the echoes abroad are concerned, one has to emphasize that the issue of Romania's being admitted to NATO among the first-wave candidates becomes a vital one. Even before Iliescu's gaffe, both the Romanian Government and Iliescu had been suspected of paying court to Moscow, rather than to Washington, while in point of economic reform it was quite obvious that we are not progressing at all. Now, due to Iliescu ill-considered gesture, they might even regard Romania as a partner on the promises of whom one cannot rely at all. Currently, there are circles abroad, already considering the fact that the granting of the MFN status could serve as a kind of compensation for non-admittance to NATO. Washington's recent reactions seem to reconfirm once more this gloomy hypothesis.

And why all this? Just because of the feeble-mindedness, hollow populism, and rage of a president, who cannot rid himself of his Moscow education, and again has given himself away. But this time, his gesture might be fatal for him, too. Elections are knocking on the door...!

Romania: Opposition Accused of Lack of Ingenuousness

AU3107131896 Bucharest ROMANIA LIBERA in Romanian 27 Jul 96 p 1

[Editorial by Roxana Iordache: "The Presidential Deceit"]

[FBIS Translated Text] This is for the first time that President Iliescu has retracted a false accusation, namely, the violent attack on CDR [Democratic Convention of Romania] President Emil Constantinescu on the issue of the American [most-favored-nation—MFN] status. However, the way in which he did this gives the impression that the liar from Cotroceni intended to turn the case in his favor by using the remedy of a dishonest act as an opportunity to improve his image.

Although seriously alarmed by the reaction of some important U.S. dignitaries, one of whom even voted in favor of the MFN status, President Iliescu nevertheless concealed his panic and counterattacked—as he was the one who attacked in the first place!—with the aim of rehabilitating himself in the face of the United States (although such a diplomatic blunder cannot be remedied so easily even if the adversary helps you) and, at the same time, of posing again as the "mediator of reconciliation" for the domestic electorate, hoping that the Romanians would suddenly forget the person who caused the discord. The president's maneuver proved to be extremely skillful.

Sincerely hoping for a civilized electoral campaign, Emil Constantinescu and Petre Roman [president of the Democratic Party—PD] immediately responded to the president's appeal and signed with unexpected ease a joint declaration of electoral nonaggression on issues of national interest, without even demanding that President Iliescu issue a public apology and, strangely enough, being content with a "retraction" of very serious accusations. It is interesting to see that Petre Roman, who was not even the object of the above accusations of not supporting the receipt of the MFN status, was nevertheless also invited to Cotroceni. The invitation sounded so imperative that it looked rather like a summons. Thus, after being in a rather severe inferior position, President Iliescu suddenly gained double advantage over his countercandidates, first of all, because he is still Romania's president and not just a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

presidential candidate and, second, because he invited not only Emil Constantinescu, the only person attacked with these accusations. The reason was simple: To avoid presenting Emil Constantinescu as his principal countercandidate, the one who arrived with a big advance, but, on the contrary, to present him together with the USD [Social Democratic Union] leader, his principal countercandidate to the position of presidential countercandidate. In this way, Iliescu placed them both in an inferior position, like some pretenders to the silver and bronze medals.

However, the most important thing is that President Iliescu actually fooled both of them by exploiting their good faith. They pledged not to invoke the MFN status in the electoral context, while the presidential satellites and even the [PDSR] Party of Social Democracy of Romania leaders, free from such a promise, can continue hitting under the belt on this issue. This in fact happened immediately, Ioan Gavra [vice president of the Romanian National Unity Party—PUNR] stating the following day on "Radio Romania Actualitati" station that, although it belongs to Romania, the MFN status nevertheless has been "a victory of the PDSR-PUNR ruling," to the detriment of "certain representatives of the opposition who would have preferred to postpone granting the MFN status on a permanent basis until after the elections." President Iliescu, in case of such statements—that are expected to be repeated while Emil Constantinescu and Petre Roman will be unable to respond—will certainly say that he cannot get involved in the declarations of party leaders. This is the reply that he was preparing from the moment the joint declaration was signed, which was a deceitful trick while the opposition held the trumps in its hands.

The joint declaration could have been a victory of the opposition if the CDR and USD leaders first of all had asked President Iliescu to apologize publicly and unequivocally—mainly since it would have been the first opportunity to make him do such a thing, since Iliescu was cornered—and then come to Cotroceni, but not before holding consultations with representatives of the entire democratic opposition. In this way, they could have shown the electorate a picture of force and unity of the opposition. Instead, they consolidated involuntarily the authority of a discretionary president. What a candid error!

The opposition should learn that in order to win, honesty without ingenuousness is not enough. One should not forget the proverbs about the wisdom of snakes and the pigeons' cleanliness. Otherwise, the hawk might eat you, or, to mock the saying a little bit, the owl might eat you.

Romania: New Deputy Chief Appointed to Defense Policy Department

AU0108125396 Bucharest EVENIMENTUL ZILEI in Romanian 26 Jul 96 p 16

[Article by Radu Tudor: "Colonel Teodor Palade Appointed Deputy Chief of the Defense Policy and International Relations Department"]

[FBIS Translated Text] Beginning 26 July 1996, on orders of the national defense minister and with the approval of the Supreme Defense Council of the Country, Diploma Engineer Colonel Teodor-Stelian Palade was appointed deputy chief of the Defense Policy and International Relations Department. Col. Palade takes that office over from Brigade General Gheorghe Rotaru, who was appointed as Romania's political-military representative with NATO. Col. Palade's previous post was that of deputy chief of the Military Intelligence Directorate of the Army General Staff. Thus, State Secretary Mircea Pascu, the chief of the Defense Policy and International Relations Department, has an experienced and militarily very well-trained new deputy.

Curriculum Vitae

Diploma Engineer Col. Teodor Palade was born on 19 June 1943 in Bucharest. In 1962 he graduated from the Stefan cel Mare Military High School in Campulung Moldovenesc, and in 1966 from the Nicolae Balcescu Superior Military School for Infantry Officers in the city of Sibiu. Following this, from 1966-68 he was commander of a border guard unit on the western border of the country. At that time, the border guard troops were subordinated to the National Defense Ministry. Between 1968 and 1972, he was a student of the Panzer and Truck Department within the Technical Military Academy. Between 1972 and 1983, as a diploma engineer specialized in that domain, he occupied various technical posts at operative military units and large units. In 1983, he was promoted to the Army General Staff, where he worked until 1987. From then on, until 1990, he was the trade representative of ROMTEHNICA [military equipment import-export trade company] in New Delhi. Between 1990 and 1992, he was Romania's Air Force and Navy attache in India. In 1992, he was appointed chief of the Military Attaches Section of the Army General Staff, in which capacity he coordinated the activity of the Romanian military missions abroad.

From 1994 to the present, he occupied the post of the Military Intelligence Department deputy chief, where he completed his duties with excellent results.

Col. Palade speaks English and Russian. His spouse, Elena, is a Romanian-language teacher, and they have two daughters.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

During his military career, he attended numerous post-university training courses in the most varied domains, such as military-political analysis and synthesis, foreign trade, intelligence, and international relations.

Diploma Engineer Col. Teodor Palade made the following statement to our reporter: "I have now been in the Romanian Army for 34 years. I have dedicated my entire life to this institution, and I intend to carry out my duty with the same devotion."

In his new office, Col. Palade is to coordinate the activity of the Defense Policy and International Relations Department, the Military Training Department, the Cultural Department, and the Information and Public Relations Directorate of the Army, as well as that of the Institute for Operative-Strategic and Military History Studies. We wish Col. Palade success.

Romania: Intelligence School Holds Graduation

AU3107152996 Bucharest EVENIMENTUL ZILEI in Romanian 27 Jul 96 p 6

[Article by Radu Tudor]

[FBIS Translated Text] The National Intelligence Institute [INI] celebrated its second graduation on 26 July in a festive atmosphere. A total of 107 graduates with the rank of lieutenant appeared before the SRI [Romanian Intelligence Service] leadership and invited guests, including dignitaries from military bodies, diplomats, and representatives of the government and opposition parties. Dr. Septimiu Chelcea, a university professor and INI rector, hosted the event.

Division General Ion Popescu, deputy director of the Strategic Defense Initiative, who is in charge of logistical issues, read the order, signed by Virgil Magureanu [SRI director], whereby 76 of the graduates in psychology are assigned to SRI units throughout the country. The rest of the INI graduates are assigned to intelligence structures within the Interior and Justice Ministries.

In his speech, SRI Director Virgil Magureanu said: "Eloquent proof of the fact that, in accordance with the duties conferred on it by law, the SRI is becoming more efficient every day—a fact that might hurt those personal or group interests that are at variance with out national interests—is the virulence of some of the recent attacks against our service. I would even go so far as to call these attacks aberrant.

"If we disregard the fact that this energy could be put to better use, such attacks constitute one of the most important indications that the SRI is operating in accordance with its designated parameters. Only when and if we no longer arouse the aversion and rage of those who are working for at least parallel if not contrary interests to the interests of our country should we start asking ourselves questions as to our purpose. Until then, we are living in a state of salutary normality, the beneficiaries of which are you and the graduates of this class."

General Ion Popescu also handed to the beautiful and experienced Mireille Carmen Radoi the diploma of head of the 1996 INI class, with the rank of lieutenant.

As a pleasant first-time event, CDR [Democratic Convention of Romania] leader Emil Constantinescu, invited by the SRI director, gave a speech before Romania's youngest intelligence officers. At the end of the ceremony, which concluded with a parade of the graduates, the guests were taken on a tour of the new, perfectly equipped INI amphitheaters, which also house a rich library.

In the end, everyone present, that is, invited guests, graduates, and the SRI and INI leadership, raised a toast in honor of this graduating class.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Federal

FRY: Assistant Foreign Minister Says Peace 'Vital' for Country

LD3107133696 Belgrade TANJUG in English 1313 GMT 31 Jul 96

[FBIS Transcribed Text] Valjevo, Yugoslavia, July 31 (TANJUG)—Yugoslav Assistant Foreign Minister Zivadin Jovanovic has described as vital for the country peace and normalisation of its status in the world, primarily at the world political scene and in financial and economic centres.

Jovanovic was speaking in a panel discussion on Yugoslavia's current position in the world, organised by the local board of the ruling Socialist Party of Serbia (SPS) in Valjevo, western Serbia, late Tuesday.

Jovanovic said the Yugoslav and Serbian leaderships, headed by Serbian President Slobodan Milosevic and SPS were making great efforts to help restore peace to and secure successful elections in Bosnia, which he said meant the lifting of the sanctions against Yugoslavia enabled through the reaching of the Dayton peace accords.

"It however appears that there are people who neither want peace to be restored to Bosnia nor the elections to be successful," he said, explaining that this was evident among some of the countries currently supplying Bosnian Moslems and Croats with arms.

Yugoslavia does not regard peace as a short-time strategy but as a task that has to be caried out over a long period of time, because only in peace the country can fully use its potential and all its advantages, he said.

Yugoslavia is doing all it can to bring about peace and to make it last, he said, dismissing as goundless allegations to the effect that the country burned all bridges of cooperation and friendship while it was under the regime of the U.N. Security Council sanctions.

He said a large number of such bridges and friendships had been preserved, while new were being made all the time.

The best proof for it is the fact that 65 countries have opened embassies in Yugoslavia and that out of 15 E.U. countries, 12 have embassies in Belgrade, he said.

Jovanovic said all Balkan and European states wanted peace to return to these lands, because he said they too had been affected by the sanctions against Yugoslavia, suffering a 200 billion-dollar loss.

FRY: Government Discusses Cooperation With Slovakia, Ukraine

LD3107191996 Belgrade TANJUG in English 1749 GMT 31 Jul 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, July 31 (TANJUG)—The Yugoslav Government adopted Wednesday platforms for talks on a program of cooperation in education, culture and sports with the Slovak Republic and an agreement on the stimulation and protection of investments with Ukraine.

The government also approved a bill on changes in the law on the ratification of the U.N. Convention on the Rights of the Child. The bill envisages that a child can be separated from the parents against the latter's wishes only if a court rules that the separation is in the best interst of the child and not a centre for social work, as so far.

The government decided to send the first shipment of medicaments and medical supplies to the flood-stricken provinces in China.

FRY: Army Commander, Bulgarian General Inspect Border

LD3107185796 Belgrade TANJUG in English 1821 GMT 31 Jul 96

[FBIS Transcribed Text] Dimitrovograd, July 31 (TANJUG)—Commander of the 3rd Army of the Yugoslav Army Lieutenant-General Dusan Samardzic and Commander of the 1st Corps of the Bulgarian Army Major-General Ivan Tomov on Wednesday inspected the Gradina border post near Dimitrovograd, a town on the Yugoslav-Bulgarian border.

Samardzic and Tomov underscored the two Armies' readiness to continue cooperation.

General Samardzic, who was on a visit to the Bulgarian Army in the past three days, said this was an initial form of cooperation to spread to lower army levels and be a guarantee of peace and security.

Dimitrovorad Mayor Nikola Stoianov said in a talk with the two generals that the ethnically mixed population of this town was a base for nurturing good-neighborly relations between the two countries.

"As a population near the border and as a Bulgarian ethnic minority, we have a special interest in the development of good-neighbourly relations, and this will become a linking border," Stoianov said.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

FRY: OSCE Lists for Bosnia Elections Criticized

LD3107191496 Belgrade TANJUG in English 1743 GMT 31 Jul 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, July 31 (TANJUG)—Yugoslav Government official Bratislava Morina told OSCE [Organization for Security and Cooperation in Europe] representatives Wednesday that the Yugoslav side was dissatisfied because it was not included in the formulating of the electoral rules for Bosnia-Herzegovina.

The chairman of the government commission for the rights of refugees in the upcoming elections in Bosnia said the lists of voters drawn up by the OSCE mission in charge of organizing the elections did not correspond to the actual situation.

Morina said 60,000 Serb refugees registered in Yugoslavia were missing from the supplied lists.

OSCE representative Hans-Peter Kleiner said the lists would be checked and the deadline for the Yugoslav side to process the figures put off until Aug. 5.

Morina raised the issue of the about 30,000 wounded or seriously ill refugees who would have to travel to Republika Srpska to cast their ballots under the existing OSCE rules.

FRY: Chinese Market Said To Boost Serbian Output

LD3107163296 Belgrade TANJUG in English 1556 GMT 31 Jul 96

[FBIS Transcribed Text] Belgrade, July 31 (TANJUG)—The current barter arrangement with China allows Serbian enterprises to boost output and establish long-term cooperation with the huge Chinese market, said a Serbian chamber of commerce [PKS] official in Belgrade on Wednesday.

PKS assembly chairman Rajko Uncanin explained that Yugoslav-made goods would be bartered for the 320-mln [million] dollars worth of Chinese oil deliveries.

The deal, he said, centered on the mechanical engineering and chemical industries which had already signed contracts or preliminary contracts with Chinese partners.

He said the barter was particularly favourable since oil had already been arriving in Yugoslavia in the last four months, while Yugoslav deliveries would follow long later.

FRY: OSCE Seminar on Media Freedom Assessed

96P20474A Skopje FLAKA E VELLAZERIMIT in Albanian 2 Jul 96 p 3

[Article by Sefer Musliu: "Governments Exert Pressure on the Independent Media"]

[FBIS Translated Text] Last week a two-day seminar on the role of the media in the conflict in the former Yugoslavia was held on the island of Brac, Croatia, under the sponsorship of the Office of Democratic Institutions and Human Rights [ODIHR] of the Organization for Security and Cooperation in Europe [OSCE] and the International Helsinki Federation. Representatives of all the independent and state media from all the countries of the former Yugoslavia participated in the seminar.

The discussions left the impression that, in all countries, sometimes more and sometimes less pressure is exerted by the governments on media organs and journalists who try to exercise freedom of opinion and to judge the democratic trends in their countries as they see them.

Although representatives of the state or government media were invited to take part in this meeting, with the exception of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] no republic of the former Yugoslavia sent representatives of these media to the meeting, which served as evidence to the organizer of the "freedom" of the press in these countries. The representatives of Serbia said that unprecedented pressure is being exerted on the independent and local media in this republic and they did not speak about the state media. If any media organ violates current Serb policy, then, within 24 hours, either the management structure of these institutions is changed (in the case of media which are financed by the commune or state budget) or the media organs are shut down, mainly for banal reasons, such as hygienic conditions, space, etc. This fact was illustrated by some concrete cases, such as Radio Pancevo, Radio Kragujevac, Radio Smederevo, and others. The excessively liberal laws and the Constitution serve the current Serb policy when it is a question of the media and international subjects and also serve as cover. In the state media, the reality of opinions opposed to the current policy in Serbia is never presented.

Representatives of the independent media in Croatia accused the current state policy of violating freedom of opinion and independent media organs and said that the Croatian media scene is hopeless.

The representatives of Macedonia said that there is freedom of the press in this republic but there is a lack of laws to regulate this domain. Apparently, this

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

is a hindrance to further investments in the independent media because there is no security for investments.

The only representative of the media of the Republic of Kosova was the representative of the review KOHA who presented the situation of the free media in Kosova as very grave. Among other things, he said that the state media, such as Radiotelevision, do not provide enough air time to satisfy Albanian listeners and viewers. No one watches the few programs that the officials of these institutions broadcast in the Albanian language because they contain nothing other than propaganda for the policy of the Serb occupiers in Kosova. No Albanian media organ is financed from the budget; therefore, they do not exist. The Albanian-language daily BUJKU is financed by the people and the state and government authorities of Kosova but it is believed and it has been observed that even this paper is not free from the control of the Albanian authorities just as the Serbian press in Kosova is not free from the control of the installed authorities.

The representative from KOHA said that KOHA is not highly regarded by the Albanian authorities or by the installed Serbian authorities in Kosova, because, as he said, KOHA is trying to present the real situation in the area to its readers.

The chairman of the Croatian Helsinki Council, Ivan Zvonimir Cicak, responded to this statement about parallel governing authorities, saying: "You should not speak in the name of the Albanian governing authority in Kosova because the OSCE, which is the host of this meeting, does not recognize Kosova."

The representative of the Albanian-language editorial staff of Macedonian television (the author of this article) took issue with this statement of the Croatian Helsinki representative, saying: "I am sorry that Cicak expressed his opinion about this in a public manner. Since this is a meeting to discuss human rights and freedoms, I think it is wrong to criticize or to contradict the free opinion of the Kosova representative. Everyone knows, and I believe that Mr. Cicak, as a leader of a democratic institution in Croatia also knows, that the independence of Kosova is the desire and aspiration of two million Albanians who live there and of other Albanians who live in the former republics of Yugoslavia. This is also my personal desire," the Albanian representative from Macedonia said.

The representatives of Montenegro also said that free expression of opinions is restricted in that republic and that the Montenegrin authorities, assisted by Belgrade, obstruct the free media in this country.

FRY: Refugees Reportedly Manipulated in Voter Registration

AU3107204796 Belgrade BETA in Serbo-Croatian 1454 GMT 30 Jul 96

[FBIS Translated Text] Belgrade, 30 June (BETA)—Three refugees from Sarajevo reported to the Helsinki Committee for the Protection of Human Rights in Serbia (HOPS) that they were prevented from registering for the elections in Bosnia-Herzegovina in the registration office in Banjica, in the Belgrade municipality of Vozdovac.

They said that they were unable to register to take part in the elections in the municipalities in which they had lived prior to the outbreak of the war by actually voting here.

In several registration points in Belgrade, the Bosnia-Herzegovina refugees were denied the possibility of voting in the FRY even though they are entitled to do so according to the regulations laid out for the 14 September elections by the OSCE, BETA agency was told in HOPS.

OSCE chose HOPS as the official monitor of the registration of the Bosnia-Herzegovina voters who have the right to vote in the September elections on the FRY territory. The registration started on 22 July and will last until 5 August.

The HOPS monitors ascertained irregularities in several registration points in Belgrade where the refugees from the territory of the Bosnia-Herzegovina Federation were offered the forms for the elections on the territory of the Serb Republic (Form 2). These forms are intended for those who chose to live in the municipalities in which they register to vote.

The refugees in Backa Palanka today informed HOPS that they were given Form 1 at the registration points, however, with the remark that they should vote in the Serb Republic and not in the Bosnia-Herzegovina Federation.

In the Belgrade quarter of Medakovic, refugees were not allowed to register to vote in absentia in the places where they used to live, which means voting here.

HOPS President Sonja Biserko told BETA agency that the officials in the registration points most frequently did not tell the refugees about the existence of Form 1, and those who did know about it were openly told that they would not be able to vote in FRY or that they would have to find their own means of transportation to the municipalities in the Bosnia-Herzegovina Federation.

Bosnia-Herzegovina refugees have the right to register for the elections in the place from which they came and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

vote either in the FRY (in absentia) or in the place from which they fled (in person). Those who opt for one of these two possibilities register using Form 1.

Form 2 is intended for the refugees who do not wish to return to the places from which they had fled and who opt to live in the municipality in which they will vote at the September Bosnia-Herzegovina elections.

Serbia

Serbia: SPO Warns of Return of 1993 Inflation

AU3107140096 Belgrade BETA in Serbo-Croatian 1058 GMT 31 Jul 96

[FBIS Translated Text] Belgrade, 31 Jul—The Serbian Renewal Movement [SPO] today expressed doubt in the National Bank of Yugoslavia's assurances that an adequate amount of smaller notes would be withdrawn from circulation once the new 50 dinar banknote is issued.

"The citizens vividly remember similar deceptions in 1993, when the catastrophic and never before registered inflation started in the same way. We can expect an increase in the value of the German Mark on the black market very soon. We can also expect an increase in prices, and other things which normally accompany the ruling party's election tax [harac]," reads the statement issued by the SPO.

Vojvodina

Vojvodina: DS Chairman Djindjic on Autonomy, Minority Rights

96BA0398A Novi Sad MAGYAR SZO in Hungarian 2 Jun 96 p 8

[Interview with Democratic Party Chairman Dr. Zoran Djindjic by Klara Orosz in Novi Sad; date not given: "A Serbia Oriented Toward Europe; Autonomy Is Not the End, It Is a Means To Achieve the End; Minorities Are Entitled to Collective Rights"]

[FBIS Translated Text] This week Dr. Zoran Djindjic, chairman of the Democratic Party [DS in Serbian; DP in Hungarian] paid a visit to our editorial offices. On this occasion we conducted an interview with the party chairman; in it we discussed the issue of autonomy for Vojvodina and the minorities, in addition to timely political issues. At the start of our conversation Dr. Djindjic said that these days knowledge is the greatest capital in the world, and the conveyance of knowledge requires modern and objective information provision. The situation is dramatic in Serbia from this standpoint; therefore it is high time that people realize that the media play a key role in formulating the future of society and that the responsibility held by people working for the media is as great as that of politicians.

[Orosz] Considering the state of information as you described it and the proposed amendment to the electoral law, what results can the opposition count on?

[Djindjic] We cannot talk about classic elections and competing parties in Serbia; what we have is the clash of two different concepts. Therefore, appropriately phrased, the question should be: What are the chances of having a modern Serbia-oriented toward Europe as compared to a backward Serbia oriented toward Asia? Regarding the more distant future I believe that only a modern, settled Serbia that functions pursuant to European measures has a future. Present-day Serbia reflects the remnants of Asian despotism in which a close-knit group reigns over everything, and can provide for the livelihood of only a few people. Unquestionably there will be changes, the only thing we do not know is when and how these changes will occur. Quite naturally, this is not nonessential either because day after day we become more and more out of step with the world; increasingly we fall behind while the world develops.

Reform Measures in the Forefront

[Orosz] Can we expect to see an expansion of the present opposition grouping beyond the DP, the SZMM [Serbian Renewal Movement—SPO in Serbian] and the Civic Alliance of Serbia?

[Djindjic] The door is open, but we established certain conditions, primarily the requirement that whoever wants to associate with us must have Serbia's democratic reform as his primary concern. The rest of the issues, the differences must be left behind, we will discuss these once the state is settled from an economic and social point of view. Some parties are not willing to accept this priority, and this makes negotiations more difficult. Smaller parties that flirt with the SZSZP [Socialist Party of Serbia—SPS in Serbian]—such as the VDRP [Democratic Reform Party of Vojvodina—RDSV in Serbian] and the Democratic Center—cause problems. We cannot permit another New Democracy to happen to us.

[Orosz] In order to attain the common goal would you be willing to cooperate with the former chairman of the DP or perhaps with others with whom you had differences.

[Djindjic] I have no hang-ups. I would have been willing to form a coalition government even with Milosevic, had he agreed to reforms. If I was willing to negotiate with him, I would do the same with others. We can rule out personal differences.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Emphasis on Money

[Orosz] Recently a growing number of political parties deal with the status of Vojvodina. So far the Democrats have not prepared a document that details this issue. What is the DP's position regarding Vojvodina's autonomy?

[Djindjic] Autonomy is not an end in itself, it is a means by which the needs and goals of people living here can be realized more efficiently. Vojvodina has its own identity. Considering its mentality, traditions, geographic location, and the consciousness of its people, this region constitutes a unit. That has to be preserved, because it makes the resolution of problems easier. Accordingly, for us autonomy is an efficient means in the direction of people settling their problems by themselves, and aware of the circumstances, making the proper decisions. The present centralized system does not guarantee this kind of decisionmaking. And yet the essence of autonomy constitutes and economic issue, and the emphasis is not on symbols but on money. Autonomy gains content only if real money is available to people. This is why the present system, in which a charter is granted but the money is taken away, is only delusion, it makes mockery of the ideal of autonomy. The condition for establishing autonomy is to change the system.

Territorial Autonomy, No; Personal Autonomy, Yes

[Orosz] How does your party view the realization of minority rights, what is your view of territorial and personal autonomy?

[Djindjic] Only a constitutional state can guarantee the protection of minority rights. In Serbia, those in power do not abide by the laws, and thus the guaranteed rights are worthless. Regarding minorities it is not sufficient to talk about civil rights, they are also entitled to certain collective rights. It is the duty of the state to defend the collective identity of national minorities, and to prevent their assimilation. In my view, land area is not the essence of the identity of national minorities, the emphasis should not be on living in a certain area. The identity for which the collective realization of rights must be guaranteed is cultural, educational, informational and religious in character. In practice this means personal autonomy, which I support in principle for every national minority. I am opposed to the resolution of minority issues by territorial autonomy. The collective rights of a national minority must be guaranteed, irrespective of where the members of the minority live.

Clarifying the Abuses

[Orosz] The district court at Belgrade indicted you on grounds of slandering Marjanovic, the head of government. What proof does the DP have, and is the proof you have sufficient to warrant dismissal of the charges?

[Djindjic] The court's decision depends not on evidentiary proceedings, but on political autocracy. We have evidence to support our statements. He issued a tender for reserve goods in the middle of November; in it they offered for sale surplus wheat at the price they paid to the peasants. Doubtless, the 28 para per kilogram price is not a market price because at that point the world market price of wheat was four times higher than that. In the middle of December the government at the level of the republic annulled the tender and approved the exportation of 1 million metric tons of wheat out of the 1.5 million tons to be exported by Progres. Had this transaction been completed, the firm headed by the head of government would have made a profit of 200 million German marks [DM] on the price differential. The federal parliament reduced the permissible volume to be exported to 500,000 tons after our advertisement appeared, of which Progres received 200,000 tons. At that point, the investigative proceeding was stopped, and the prosecutor indicted me. If in the course of the criminal proceedings they do not permit the completion of an investigative proceeding and the questioning of witnesses, including the head of government, and they pronounce judgment solely on the basis of my testimony, the case will be unique insofar as adjudication of this nature has taken place since 1965. I am counting on something like this to happen. We have proof that Progres did not pay a single dinar as down payment for the wheat, and this is contrary to law. We also know that the head of government has reached an agreement with merchandise reserves to the effect that they would provide gas instead of money in exchange for the wheat. When the agreement was reached, the price of gas was 48 paras in Hungary, here it cost 80 paras. We also have proof that Progres has transported gas to the Popovac cement factory and received cement in exchange for the gas; the price of the cement was set by the government; the cement was transferred to private firms in fictitious ways, and in the end they sold the cement in exchange for foreign exchange. In May 1944 the official price of a ton of cement was 128 dinars; at the factory gate it was sold for DM250. According to our assessments, between March 1944 and May 1995 Progres made DM10 million in profits on this transaction. These are the issues and abuses we would like to clarify in court.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.